



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 COMBINED AND)
CONSOLIDATED APPLICATION OF ATLANTIC CITY) ORDER APPROVING
ELECTRIC COMPANY TO ADJUST THE LEVEL OF ITS) STIPULATION
"RIDER RGGI" RATE ASSOCIATED WITH ITS LEGACY)
SOLAR RENEWABLE ENERGY CERTIFICATE ("SREC)
I") FINANCING PROGRAM, ITS SUCCESSOR SOLAR)
RENEWABLE ENERGY CERTIFICATE ("SREC II"))
FINANCING PROGRAM, AND ITS SOLAR TRANSITION)
INCENTIVE PROGRAM (2021)) DOCKET NO. ER21070980

Parties of Record:

Philip J. Passanante, Esq., for Atlantic City Electric Company
Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On July 9, 2021, Atlantic City Electric Company ("ACE" or "Company" or "Petitioner") filed a petition and supporting exhibits with the New Jersey Board of Public Utilities ("Board" or "BPU") seeking authority to adjust the level of the Rider Regional Greenhouse Gas Initiative Recovery Charge ("Rider RGGI") associated with ACE's legacy Solar Renewable Energy Certificate ("SREC") Financing Program ("SREC I Program"), the Company's successor Solar Renewable Energy Certificate Financing Program ("SREC II Program"), and its Transition Renewable Energy Certificate ("TREC") Program ("TREC Program") ("July 2021 Petition"). By this Decision and Order, the Board considers a stipulation of settlement ("Stipulation") executed by ACE, the New Jersey Division of Rate Counsel ("Rate Counsel") and Board Staff ("Staff") (collectively, "Parties") intended to resolve the Company's requests related to the July 2021 Petition.

BACKGROUND AND PROCEDURAL HISTORY

SREC I Program

By Order dated August 7, 2008, the Board directed Jersey Central Power & 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 petition with a proposed SREC financing program under BPU Docket No. EO08100875.

ACE, JCP&L, Staff, 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 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 kilowatt-hour (“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

The Board, from 2013 through 2020, approved various kWh amounts of the SREC I Program component of the RGGI rate, inclusive of Sales and Use Tax (“SUT”). The specific actions taken by the Board are as follows:

¹ In re the Matter of Atlantic City Electric Company 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, and;

In re the Matter of the Verified Petition of Jersey Central Power and Light Company Concerning a Proposal for an SREC-Based Financing Program Under N.J.S.A. 48:3-98.1, BPU Docket Nos. EO08100875 and EO08090840, Order Dated March 27, 2009 (“March 2009 Order”)

² In re the Matter of Atlantic City Electric Company 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, and;

In re the Matter of the Verified Petition of Jersey Central Power and Light Company Concerning a Proposal for an SREC-Based Financing Program Under N.J.S.A. 48:3-98.1, BPU Docket Nos. EO08100875 and EO08090840, Order dated September 16, 2009.

- On December 18, 2013, the Board approved the SREC I Program component of the Rider RGGI rate at \$0.000610 per kWh;³
- On November 16, 2015, the Board approved the SREC I Program component of the Rider RGGI rate at \$0.000824 per kWh;⁴
- On November 30, 2016, the Board approved the SREC I Program component of the Rider RGGI rate at \$0.000567 per kWh, which was further reduced to reflect a change in the applicable SUT to the rate of \$0.000566 per kWh;⁵
- On September 22, 2017, the Board approved the SREC I Program component of the Rider RGGI rate at \$0.000392 per kWh, which was further reduced to reflect a change in the applicable SUT to the current rate of \$0.000391 per kWh;⁶
- On January 17, 2019, the Board approved the SREC I Program component of the Rider RGGI rate at \$0.000417 per kWh;⁷
- On February 5, 2020, the Board approved the SREC I Program component for the Rider RGGI rate at \$0.000334 per kWh;⁸ and
- On November 18, 2020, the Board approved the SREC I Program component of the Rider RGGI Rate at \$0.000299 per kWh.⁹

SREC II Program

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

³ In re Atlantic City Electric Company's Annual Filing to Set the Level of its "Rider RGGI" Rate Associated with its Solar Renewable Energy Certificate Financing Program, and;

In re Atlantic City Electric Company 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 Nos. EO13030241 and EO12040312, Order dated December 18, 2013.

⁴ In re the Application of Atlantic City Electric Company to Adjust the Level of its "Rider RGGI" Rate Associated with its Solar Renewable Energy Certificate Financing Program (2015), BPU Docket No. EO15050505, Order dated November 16, 2015.

⁵ In re the Application of Atlantic City Electric Company to Adjust the Level of its "Rider RGGI" Rate Associated with its Solar Renewable Energy Certificate Financing Program (2016), BPU Docket No. ER16050402, Order dated November 30, 2016.

⁶ In re the Application of Atlantic City Electric Company to Adjust the Level of its "Rider RGGI" Rate Associated with its Solar Renewable Energy Certificate Financing Program (2017), BPU Docket No. ER17040357, Order dated September 22, 2017.

⁷ In re the Application of Atlantic City Electric Company to Adjust the Level of its "Rider RGGI" Rate Associated with its Solar Renewable Energy Certificate Financing Program (2018), BPU Docket No. ER18050543, Order dated January 17, 2019.

⁸ In re the Application of Atlantic City Electric Company to Adjust the Level of its "Rider RGGI" Rate Associated with its Solar Renewable Energy Certificate Financing Program (2019), BPU Docket No. ER19060697, Order dated February 5, 2020.

⁹ In re the Application of Atlantic City Electric Company to Adjust the Level of its "Rider RGGI" Rate Associated with its Solar Renewable Energy Certificate (SREC I) Financing Program (2020), BPU Docket No. ER20060387, Order dated November 18, 2020.

Plan.¹⁰ 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.”¹¹ 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.¹² 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.”

Through a series of Board Orders dated December 18, 2018, October 25, 2019, December 20, 2019, May 20, 2020, December 16, 2020, June 24, 2021, and December 15, 2021, the Board approved the maintenance of the Company’s SREC II Administrative Fee at the Board’s previously approved rate of \$17.07, and maintenance of the Rider RGGI Surcharge applicable to the SREC II Program’s Direct Charges at its current rate of \$0.000000 per kWh.¹³

TREC Program

By Order dated December 6, 2019, the Board established the TREC Program to bridge the gap between Legacy SREC Programs and a to-be-determined Successor Program.¹⁴ The BPU directed New Jersey’s electric distribution companies (“EDCs”) to work with Staff to jointly procure a TREC Administrator that would acquire all of the TRECs produced each year by eligible solar generation projects. The TREC Administrator would then allocate the TRECs to load serving entities based upon their market share of retail sales for retirement within the generation attribute tracking system as part of the annual renewable portfolio standard compliance process.

The TREC Order further authorized the EDCs to recover reasonable and prudent costs for TREC procurement and TREC Administrator Fees. As provided in the TREC Order, the recovery of these costs would be based upon each EDC’s proportionate share of retail electric sales. As a result, each EDC was to make an annual filing for its costs and the recovery method, which will be subject to approval by the Board.

¹⁰ The Office of Clean Energy was subsequently renamed the Division of Clean Energy.

¹¹ In re the Matter of the Review of Utility Supported Solar Programs, BPU Docket No. EO11050311V, Order dated May 23, 2012. See Staff Recommendations, page 26 - line b.

¹² 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”).

¹³ In re the Matter of the Combined and Consolidated Application of Atlantic City Electric Company to Adjust the Level of its “Rider RGGI” Rate Associated with its Legacy Solar Renewable Energy Certificate (“SREC I”) Financing Program, its Successor Solar Renewable Energy Certificate (“SREC II”) Financing Program and its Solar Transition Incentive Program (2021), BPU Docket No. ER21070980, Order dated December 15, 2021;

See also BPU Docket Nos. ER18101192, ER19101429, and ER20100688.

¹⁴ In re a New Jersey Solar Transition Pursuant to P.L. 2018, C.17, BPU Docket No. QO19010068, Order dated December 6, 2019 (“TREC Order”).

By Order dated March 9, 2020, the Board prescribed that the TREC Administrator would acquire all TRECs produced by eligible solar generation projects at a base compensation rate of \$152 per megawatt hours.¹⁵ The TREC Administrator would then calculate the actual value of a TREC to be acquired by multiplying the base compensation rate by a factor applicable to the solar project type set forth in the table below:

Solar Project Type	TREC Factor
Subsection (t): landfill, brownfield, areas of historic fill	1.0
Grid Supply (subsection (r)) rooftop	1.0
Net metered non-residential rooftop and carport	1.0
Community solar	0.85
Grid supply (subsection (r)) ground mount	0.6
Net metered residential ground mount	0.6
Net metered residential rooftop and carport	0.6
Net metered non-residential ground mount	0.6

On April 10, 2020, the EDCs issued a joint Request for Proposal to 17 vendors to provide TREC administrator services for three (3) years beginning June 2020. Four (4) bids were received on April 27, 2020. In July 2020, the EDCs executed a contract with InClimate, Inc. to serve as the TREC Administrator. The EDCs estimated the cost of the TREC Administrator Services Fees for the initial three (3) year period to be between \$3.4 million and \$3.8 million.

By Order dated August 12, 2020, the Board approved the establishment of a new component of the Company's Rider RGGI to recover costs associated with TREC. The initial TREC component of the Rider RGGI is/was set at a rate of \$0.000559 per kWh.¹⁶

July 2021 Petition

The Company requested the following in the July 2021 Petition:

SREC I Program

Based upon actual SREC I Program costs through May 2021, and forecasted costs from June 2021 through October 2022, the Company proposed to recover approximately \$1,481,398 of costs associated with SREC I Program. The proposed decrease reduces the Rider RGGI charge from the current per kWh charge of \$0.000299 to \$0.000189, a decrease of \$0.000110 per kWh including SUT.

¹⁵ In re a New Jersey Solar Transition Pursuant to P.L. 2018, C.17 – TREC Base Compensation Schedule, BPU Docket No. QO19010068, Order dated March 9, 2020.

¹⁶ In re the Petition of Atlantic City Electric Company Concerning the Initial Setting of the Regional Greenhouse Gas Initiative Recovery Charge ("Rider RGGI") Associated with the New Jersey Solar Transition Incentive Program, BPU Docket No. ER20050344, Order dated August 12, 2020.

SREC II Program

From the inception of the SREC II Program until the end of 2021, based upon actual data through September 2020, and estimated data through December 2021, the Company claimed to have incurred recoverable administrative costs of \$732,682, leaving an unrecovered projected balance, including interest of \$35,512, as of the end of calendar year 2021 of \$413,113. In addition to the unrecovered balance of \$413,113, as of the end of 2021, in determining the Administrative Fee for 2022, ACE projected its administrative costs over the next period (calendar year 2022), to be approximately \$25,658 and \$2,506 in interest resulting in a total projection of administrative costs of \$441,276 to be collected from program participants in calendar year 2022. Therefore, the projected Administrative Fee for 2022 would be \$53.16 per SREC; however, ACE asserted that an increase of this magnitude from the current Administrative Fee of \$17.07 would cause SREC II Program to fail, as project participants will likely seek to terminate their participation. In order to avoid the possibility of premature termination of SREC II Program participants, ACE requested that the Board allow the Company to maintain the Administrative Fee at its current level of \$17.07 for calendar year 2022. ACE further requested that the Company be authorized to carry forward any unrecovered SREC II Program Participant Fees, including Administrative Fees, for recovery from SREC II Program participants in future annual period(s).

Regarding the SREC II Program costs, which were based upon actual costs through May 2021, and projected costs through October 2022, there is a projected over-recovered balance, including interest, for Direct Costs of \$1,738,527. However, ACE proposed to continue its SREC II costs at the current rate of \$0.000000 per kWh, resulting in no change in both the Administrative Fee and SREC II Program costs rate.

TREC Program

ACE performed a calculation of their annual total revenue requirement necessary to recover its portion of the costs for TREC, including the estimated TREC Administrator Fee, for the November 2021 through October 2022 program year. Based upon actual costs from July 2020 through May 2021, and forecasts from July 2021 through October 2021, the projected revenue requirement for the program year was \$7,734,067. Based upon this total projected annual revenue requirement for the program year, ACE proposed to update its RGGI TREC charge from \$0.000559 to \$0.000988 per kWh, an increase of \$0.000429 per kWh including SUT.

After notice in newspapers and general circulation within the Company's service territory, telephonic public hearings were held on August 31, 2021 at 4:30 pm and 5:30 pm.¹⁷ No members of the public attended the hearing. Additionally, no written comments were received by the Board.

¹⁷ Due to the COVID-19 Pandemic, the public hearings were held telephonically.

STIPULATION

Following a review of the July 2021 Petition and conducting discovery, the Parties executed the Stipulation, which provides for the following:¹⁸

SRECI I Program

1. The Parties agree that, with respect to the SREC I portion of the Petition, a decrease in the Rider RGGI charge associated with the SREC I Program as proposed by the Company is appropriate. Exhibit A attached to the Stipulation sets forth the applicable changes to Petitioner's Rider RGGI tariff for the SREC I Program. Exhibit B of the Stipulation provides the supporting details associated with the development of the proposed adjustment to the Rider RGGI tariff for the SREC I program. In developing the adjusted SREC I tariff charge, the Company utilized the methodology for forecasting future SREC sales prices as previously approved by Board Order in BPU Docket No. ER16050402, dated November 30, 2016. Based upon actual program costs through May 2021, and forecasted costs from June 2021 through October 2022, Petitioner proposes to recover \$1,481,398 of costs associated with the SREC I Program. Approval of this reduction in program costs will result in a decrease in the Rider RGGI component for the SREC I Program.
2. The Parties agree that the Company's request to decrease the Company's Rider RGGI charge with respect to the SREC I Program from \$0.000299 to \$0.000189 per kilowatt hour ("kWh"), inclusive of New Jersey Sales and Use Tax ("SUT"), should be approved. For a typical residential customer using 680 kWh per month, this represents a rate decrease of \$0.08 or 0.06 percent on the customer's monthly bill.

SREC II Program

3. The Parties agree that, with respect to the SREC II Program component of the Petition, the Board should approve continuation of the \$17.07 per SREC for the Company's 2022 Administrative Fee effective for calendar year 2022 and maintain the rate for the Company's SREC II Program's direct costs through its Rider RGGI Surcharge at \$0.000000 per kWh.
4. Exhibit C, attached to the Stipulation, sets forth the unrecovered balance of administrative costs from initiation of the SREC II Program through the end of calendar year 2021, plus the projected administrative costs for calendar year 2022. As shown on Exhibit C of the Stipulation, the total of administrative costs to be collected from program participants is projected to be \$441,276.
5. ACE's projected number of SRECs for calendar year 2022 is 8,301, to which the Administrative Fee is applied. As shown on Exhibit C of the Stipulation, Table 2, utilizing the 2021 unrecovered program balance of \$413,113, plus the projected 2022 administrative costs of approximately \$25,658, and including interest for 2021 of \$2,506, the projected Administrative Fee for 2022 would be \$53.16 per SREC. The Parties agree

¹⁸ Although described in this Order, should there be a conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusions contained in the Order. Paragraphs are lettered and/or numbered to coincide with the Stipulation.

that an increase of this magnitude from the current Administrative Fee of \$17.07 could cause the SREC II Program to fail, as project participants will likely seek to terminate their participation in the program as a result of such a precipitous increase in the Administrative Fee.

6. The Parties recognize and acknowledge that the Board's December 2013 Order provides: "Any under-recovery/over-recovery of Administrative Costs and Program Participant Fees, including the interest that accrues on any under-recovery/over-recovery, will not be subject to recovery from ratepayers, but will be deferred for accounting purposes until such time as there is a true-up of Administrative Costs and Program Participant Fees. After five years, there will be a true-up of Administrative Costs (including interest, if applicable but excluding SREC Transaction Fees) and Program Participant Fees, and the Program Participant Fees will be adjusted accordingly on a prospective basis. Beginning January 1, 2019, the Company will implement annual Program Participant Fee adjustments that will reflect any prior-year under-recovery/over-recovery as well as a projection of Administrative Costs over the next annual period." Additionally, the Parties recognize and acknowledge that the Board's December 2013 Order provides in paragraph 12 on page 10: "If, at the end of the SREC II Program cost amortization, there is a net over-recovery of SREC Sale Revenue relative to Direct Costs of purchasing SRECs, then this over-recovery will be, in the first instance, used to offset any under-recovered Administrative Costs (as defined below). Thereafter, any over-recovery will be returned to ratepayers through the Rider RRC." The Parties agree that this Stipulation does not modify these or any other provisions contained in the December 2013 Order. However, the Parties agree that ACE is authorized to carry forward any unrecovered administrative fee balance for recovery from Program Participants in future annual periods.
7. As shown on Exhibit D, attached to the Stipulation, there is projected to be an over-recovered balance, including interest, for SREC II Program direct costs of \$1,738,527. The Parties agree that the Rider RGGI Surcharge for the recovery of the SREC II Program's direct costs should be continued at its current charge of \$0.000000 per kWh. Exhibit A, attached to the Stipulation, sets forth the Company's proposed Rider RGGI tariff for the SREC II Program.

TREC Program

8. Based upon the costs and calculations set forth in Exhibit E, attached to the Stipulation, the Parties agree that the proposed adjustment to the TREC component of the Company's Rider RGGI tariff is appropriate and should be approved by the Board. Exhibit E of the Stipulation is ACE's calculation of the annual total revenue requirement necessary to recover its portion of the costs of the TREC Program, including the estimated TREC Administrator Fee, for the program year. The Company's projected annual revenue requirement for the program year is \$7,734,067, inclusive of its proportionate share of the TREC procurement costs and the Administrator Fee. ACE's proportionate sales percentage among all electric distribution companies in the State for the program year has been determined to be 12.21 percent.
9. The Parties agree that, based upon ACE's total projected annual revenue requirement for the program year of \$7,734,067, the adjustment to the Company's RGGI TREC Program charge from \$0.000559 to \$0.000988 per kWh is appropriate and should be approved by the Board. For an average residential customer using approximately 680 kWh per month, the TREC Program charge represents an increase of approximately \$0.29 or 0.21 percent

on a total monthly bill. Exhibit A of the Stipulation sets forth the applicable changes to Petitioner's Rider RGGI tariff for the TREC Program.

10. The Parties agree that the Company shall submit updated tariff sheets within five (5) business days of the effective date of the Board's Order approving this Stipulation in conformance with the agreed upon rates and terms set-forth in the above paragraphs or on such other schedule as the Board shall determine.
11. The Parties acknowledge and agree that adoption by the Board of this Stipulation fully resolves the Company's combined and consolidated Petition for its SREC I Program, SREC II Program and TREC Program.
12. In the aggregate, the impact of the recommended tariff adjustments to the SREC I Program, SREC II Program and TREC Program on an average residential customer using approximately 680 kWh per month hereby represents an increase of approximately \$0.22 or 0.16 percent on a total monthly bill.

DISCUSSION AND FINDINGS

After the review of the record in this matter, including the July 2021 Petition, discovery, and the attached Stipulation, the Board **HEREBY FINDS** that the Stipulation is reasonable, in the public interest, and in accordance with the law. Therefore, the Board **HEREBY ADOPTS** the Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as through fully set forth herein.

Consistent with the Stipulation, the Board **HEREBY APPROVES** the revisions of the RGGI Rider component rates, effective for service rendered on March 1, 2022. As a result of the Stipulation, a typical residential customer using approximately 680 kWh per month will experience an increase in their monthly bill of \$0.22 or 0.16%.

The Board **HEREBY ORDERS** the Company to continue the SREC II Administrative Fee at the Board's previously approved rate of \$17.07 for the remainder of calendar year 2022, which may be adjusted annually beginning January 1, 2023.

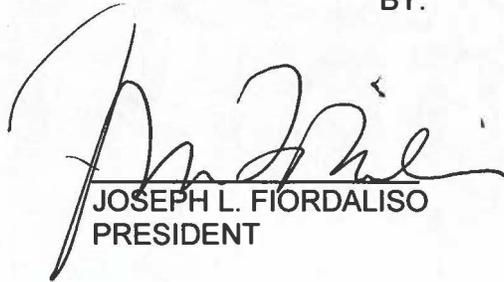
The Board **HEREBY DIRECTS** the Company to file revised tariff sheets conforming to the terms of the Stipulation by February 28, 2022.

The Company's costs, including those related to the programs described above, remain subject to audit by the Board. As such, 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 February 28, 2022.

DATED: February 23, 2022

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 COMBINED AND CONSOLIDATED APPLICATION OF ATLANTIC CITY ELECTRIC COMPANY TO ADJUST THE LEVEL OF ITS "RIDER RGGI" RATE ASSOCIATED WITH ITS LEGACY SOLAR RENEWABLE ENERGY CERTIFICATE ("SREC I") FINANCING PROGRAM, ITS SUCCESSOR SOLAR RENEWABLE ENERGY CERTIFICATE ("SREC II") FINANCING PROGRAM, AND ITS SOLAR TRANSITION INCENTIVE PROGRAM (2021) - DOCKET NO. ER21070980

SERVICE LIST

<p><u>Board of Public Utilities</u> 44 South Clinton Avenue, 1st Floor Post Office Box 350 Trenton, NJ 08625-0350</p> <p>Aida Camacho-Welch, Secretary board.secretary@bpu.nj.gov</p> <p>Stacy Peterson, Deputy Executive Director stacy.peterson@bpu.nj.gov</p> <p><u>Counsel's Office</u></p> <p>Heather Weisband, Esq. heather.weisband@bpu.nj.gov</p> <p><u>Division of Energy</u></p> <p>Paul Lupo, Acting Director paul.lupo@bpu.nj.gov</p> <p>Bart Kilar bart.kilar@bpu.nj.gov</p> <p><u>Division of Rate Counsel</u> 140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625-0003</p> <p>Brian O. Lipman, Esq., Director blipman@rpa.nj.gov</p> <p>Maura Caroselli mcaroselli@rpa.nj.gov</p> <p>Sarah H. Steindel, Esq. ssteinde@rpa.nj.gov</p>	<p><u>Division of Law</u> 25 Market Street Post Office Box 112 Trenton, NJ 08625-0112</p> <p>Pamela Owen, DAG pamela.owen@law.njoag.gov</p> <p>Darren Eppley, DAG darren.eppley@law.njoag.gov</p> <p>Michael Beck, DAG michael.beck@law.njoag.gov</p> <p>Steven Chaplar, DAG steven.chaplar@law.njoag.gov</p> <p>Brandon Simmons, DAG brandon.simmons@law.njoag.gov</p> <p><u>Atlantic City Electric Company</u> 500 North Wakefield Drive Post Office Box 6066 Newark, Delaware 19714</p> <p>Philip J. Passanante, Esq. philip.passanante@pepcoholdings.com</p> <p>Thomas Hahn thomas.hahn@pepcoholdings.com</p> <p>Susan DeVito susan.devito@pepcoholdings.com</p> <p>Heather Hall heather.hall@pepcoholdings.com</p>
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February 11, 2022

VIA ELECTRONIC MAIL
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Aida Camacho-Welch
Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

RE: In the Matter of the Combined and Consolidated Application of Atlantic City Electric Company to Adjust the Level of Its “Rider RGGI” Rate Associated with Its Legacy Solar Renewable Energy Certificate (“SREC I”) Financing Program, Its Successor Solar Renewable Energy Certificate (“SREC II”) Financing Program, and Its Solar Transition Incentive Program (2021)
BPU Docket No. ER21070980

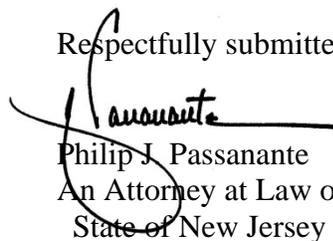
Dear Secretary Camacho-Welch:

Enclosed herewith for filing is a fully executed Stipulation of Settlement in connection with the above-referenced matter.

Consistent with the Order issued by the New Jersey Board of Public Utilities (the “Board” or “BPU”) in connection with *In the Matter of the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations*, BPU Docket No. EO20030254, Order dated March 19, 2020, this document is being electronically filed with the Secretary of the Board, the Division of Law, and the New Jersey Division of Rate Counsel. No paper copies will follow.

Thank you for your cooperation and courtesies. Feel free to contact me with any questions or if I can be of further assistance.

Respectfully submitted,


Philip J. Passanante
An Attorney at Law of the
State of New Jersey

Enclosure
cc: Service List

**IN THE MATTER OF THE COMBINED
AND CONSOLIDATED APPLICATION OF
ATLANTIC CITY ELECTRIC COMPANY
TO ADJUST THE LEVEL OF ITS “RIDER
RGGI” RATE ASSOCIATED WITH ITS
LEGACY SOLAR RENEWABLE ENERGY
CERTIFICATE (“SREC I”) FINANCING
PROGRAM, ITS SUCCESSOR SOLAR
RENEWABLE ENERGY CERTIFICATE
 (“SREC II”) FINANCING PROGRAM, AND
ITS SOLAR TRANSITION INCENTIVE
PROGRAM (2021)**

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES
BPU DOCKET NO. ER21070980
STIPULATION OF SETTLEMENT**

APPEARANCES:

Philip J. Passanante, Esq., Assistant General Counsel, on behalf of Petitioner, Atlantic City Electric Company

Brandon C. Simmons and Steven Chaplar, Deputy Attorneys General (Andrew J. Bruck, Acting Attorney General of New Jersey), on behalf of the Staff of the New Jersey Board of Public Utilities

Maura Caroselli, Deputy Rate Counsel, Sarah H. Steindel, Esq., Assistant Deputy Rate Counsel, on behalf of the New Jersey Division of Rate Counsel (Brian O. Lipman, Esq., Director, Division of Rate Counsel)

This Stipulation of Settlement (“Stipulation”) is hereby made and executed as of the dates indicated below, by and among the Petitioner, Atlantic City Electric Company (“ACE” or “Company”), the Staff of the New Jersey Board of Public Utilities (“Staff”), and the New Jersey Division of Rate Counsel (“Rate Counsel”) (collectively, “Parties”). On or about July 9, 2021, the Company filed a combined and consolidated application to reconcile its costs and expenses for its legacy Solar Renewable Energy Certificate (“SREC”) Financing Program (“SREC I Program”), the Company’s successor Solar Renewable Energy Certificate Financing Program (“SREC II Program”), as well as its Solar Transition Renewable Incentive Certificate (“TREC”) Program

(“TREC Program”) (the “Petition”). The Petition further sought Board approval to adjust the levels for the SREC I Program, SREC II Program and TREC Program effective November 1, 2021.

Following a review of the Company’s Petition, including the submission of several rounds of discovery by both Staff and Rate Counsel, the Parties hereby join in recommending that the New Jersey Board of Public Utilities (“Board” or “BPU”) issue an Order approving the Stipulation, based upon the following provisions:

PURPOSE OF PETITION AND STIPULATION

The purpose of the Company’s Petition and this subsequent Stipulation is for the Parties to agree upon the appropriate reconciliation of the individual balances in the Company’s Regional Greenhouse Gas Initiative (“RGGI”) tariff charge components for the Company’s SREC I Program, SREC II Program, and TREC Program, and to seek the Board’s authorization to maintain or, where necessary, to adjust the individual RGGI component tariff charges for each respective program. The Petition was filed in conformance with the Board’s Order in BPU Docket Nos. QO19010040 and EO20090621, dated April 27, 2021, wherein the Board directed the Company in footnote 13 on page 13 as follows: “In 2021, the Company will begin the process of consolidation of the RGGI component filings by combining the SREC and TREC components of Rider RGGI no later than July 2021.”

PROCEDURAL HISTORY

The Procedural History for the SREC I Program, SREC II Program and TREC Program is set forth as follows:

SREC I PROGRAM

Background and Procedural History

By Order dated August 7, 2008 in BPU Docket No. EO06100744, the Board directed Jersey Central Power & Light Company ("JCP&L") and 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 October 1, 2008, ACE filed a proposed solar financing program in connection with BPU Docket No. EO08100875. ACE, JCP&L, Board Staff ("Staff"), representatives from 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 (the "SREC I Financing Program" or "Legacy Program"), which included a cost recovery mechanism and incentives. ACE, JCP&L, Staff, and SA executed a stipulation on March 13, 2009 (the "2009 Stipulation"). Rate Counsel was also a signatory to the 2009 Stipulation but reserved its right to contest three specific issues. The Board, through the March 2009 Order, approved the 2009 Stipulation and decided the contested issues. 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, and Rate Counsel entered into a further stipulation of settlement with respect to the contested issues (the "Stipulation on Appeal"). The Board, pursuant to the Order on Appeal, modified the March 2009

Order to reflect the terms of the Stipulation on Appeal. Rate Counsel withdrew its appeal on September 23, 2009. The Order on Appeal required that the Rider RGGI charge for the initial year be set at zero. On or about April 12, 2012, ACE filed a Verified Petition (the “April 2012 Update Petition”) seeking a Board Order authorizing ACE to implement recovery of the costs associated with the SREC I Financing Program from the commencement of the Legacy Program through March 31, 2012, pursuant to the cost recovery mechanism approved in the March 27, 2009 (the “March 2009 Order”) and September 16, 2009 Board Orders. That proceeding was docketed as BPU Docket No. EO12040312.

The Board did not act upon the April 2012 Update Petition at that time. By further Petition dated March 21, 2013 (the “March 2013 Update Petition”), ACE updated the April 2012 Update Petition to include projected billing determinants for the rate effective period to cover the period June 1, 2012 through May 31, 2014.

By Order dated December 18, 2013, bearing BPU Docket Nos. EO13030241 and EO12040312, the Board approved a stipulation entered by and among ACE, Staff, and Rate Counsel resolving the April 2012 Update Petition and the March 2013 Update Petition. That Order revised the Rider RGGI charge applicable to the SREC I Financing Program to be \$0.000610 per kilowatt hour (“kWh”), effective January 1, 2014.

Subsequently, by Petition filed with the Board on or about May 4, 2015 (the “May 2015 Update Petition”), the Company sought Board approval to increase ACE’s Rider RGGI charge associated with the Legacy Program. By Order dated November 16, 2015, bearing BPU Docket No. EO15050505, the Board approved a stipulation dated October 26, 2015 entered into by and among ACE, Staff, and Rate Counsel resolving the May 2015 Update Petition.

By Petition dated May 6, 2016, the Company filed with the Board to further adjust ACE's Rider RGGI charge associated with the Legacy Program. The requested adjustment was for a decrease in the charge from \$0.000824 per kWh to \$0.000577 per kWh, inclusive of New Jersey Sales and Use Tax ("SUT"). The Board assigned this matter BPU Docket No. ER16050402, and, by Order dated November 30, 2016 (the "November 2016 Order"), approved the stipulation of the parties dated November 7, 2016, recommending the reduction in the Rider RGGI charge noted above. The November 2016 Order also modified the methodology utilized by the Company for forecasting future sales prices. This had the effect of further reducing the Legacy Program's Rider RGGI charge to \$0.000566 per kWh, inclusive of SUT.

By Petition dated April 7, 2017, the Company filed with the Board to further adjust ACE's Rider RGGI charge associated with the Legacy Program. The requested adjustment was for a decrease in the charge from \$0.000566 per kWh to \$0.000387 per kWh, inclusive of SUT. The Board assigned this matter BPU Docket No. ER17040357 and, by Order dated September 22, 2017, approved the stipulation of the parties dated August 16, 2017, recommending a reduction in the Rider RGGI charge based upon actual data provided by the Company through June 30, 2017. This had the effect of reducing the Legacy Program's Rider RGGI charge to \$0.000392 per kWh, inclusive of SUT. The Rider RGGI rate was further adjusted as of January 1, 2018 to \$0.000391 to reflect a change in the applicable SUT rate.

By Petition dated May 17, 2018, the Company filed with the Board to further adjust ACE's Rider RGGI charge associated with the Legacy Program. The requested adjustment was for an increase in the charge from \$0.000391 per kWh to \$0.000460 per kWh, inclusive of SUT. The Board assigned this matter BPU Docket No. ER18050543, and, by Order dated January 17, 2019, approved the stipulation of the parties dated December 27, 2018, recommending an

increase in the Rider RGGI charge based upon actual data provided by the Company during the pendency of the proceeding. This had the effect of increasing the Legacy Program's Rider RGGI charge to \$0.000417 per kWh, inclusive of SUT.

By Petition dated May 31, 2019, the Company filed with the Board to further adjust ACE's Rider RGGI charge associated with the Legacy Program. The requested adjustment was for a decrease in the charge from \$0.000417 per kWh to \$0.000337 per kWh, inclusive of SUT. The Board assigned this matter BPU Docket No. ER19060697, and, by Order dated February 5, 2020, approved the stipulation of the parties dated January 23, 2020, recommending a decrease in the Rider RGGI charge based upon actual data provided by the Company during the pendency of the proceeding. This had the effect of decreasing the Legacy Program's Rider RGGI charge to \$0.000334 per kWh, inclusive of SUT.

Finally, on June 2, 2020, the Company filed its 2020 SREC I Petition ("2020 SREC I Petition") which sought to further adjust the Rider RGGI charge associated with the Legacy Program. Based upon actual data through April 2020 and forecasted data from May 2020 through August 2021 that was provided with the 2020 SREC I Petition, the Company proposed a reduction in the Rider RGGI charge associated with the Legacy Program from \$0.000334 to \$0.000294 per kWh, inclusive of SUT. In response to discovery, the Company updated the revenue requirement to reflect updated program data through June 30, 2020, and projected program costs from July 1, 2020, through August 31, 2021 ("2020 SREC I Update"). As a result of the 2020 SREC I Update, ACE modified the requested amount to be recovered through the Rider RGGI for the Legacy Program to approximately \$2.39 million and modified the requested SREC I Financing Program component of its Rider RGGI rate to \$0.000299 per kWh, which represented a decrease from the then current SREC I Financing Program rate. By stipulation

dated October 27, 2020, the parties to that proceeding agreed to the proposed reduction in the Rider RGGI charge for the SREC I Financing Program, which was approved by the Board by Order dated November 18, 2020.

SREC II FINANCING PROGRAM

Background and Procedural History

Pursuant to the requirements of the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49 et seq. (“EDECA”) and several statutory amendments thereto, the Board has adopted Renewable Portfolio Standards (“RPS”) rules, N.J.A.C. 14:8-2.1 et seq., that, among other things, require that a specified portion of the electricity supplied to New Jersey customers by each supplier or provider be supplied from solar electric generation systems. Under the RPS rules, suppliers and providers may comply with the solar requirements by submitting SRECs or by paying a Solar Alternative Compliance Payment (“SACP”), or a combination of the two methods.

At its September 12, 2007 agenda meeting, the Board directed the then-Office of Clean Energy (“OCE”) to initiate a proceeding to explore whether additional mechanisms should be established to support the financing of solar generation projects by providing greater assurances about the cash flow to be expected from such projects, noting that such financing depends not only upon certainty about long-term maximum prices for SRECs, as provided by the established rolling eight-year SACP schedule, but also required greater certainty about the minimum cash flow from such projects. The creation of more certainty about project cash flow was initially referred to as solar “securitization,” but was later referred to as SREC-based financing so as to avoid confusion with the different concept of “securitization” used in EDECA.

Following that proceeding, in an Order dated August 7, 2008, in BPU Docket No. EO06100744, the Board, among other things, ordered ACE to file, by September 30, 2008, a proposal pursuant to N.J.S.A. 48:3-98.1 for SREC-based financing of solar generation projects.

On September 30, 2008, ACE filed a Petition for approval of an SREC-Based Financing Program. (The Company's original SREC Program has already been defined in this Petition as the "SREC I Financing Program" or the "Legacy Program.") ACE implemented the SREC I Financing Program and engaged in periodic solicitations for qualifying projects.

In November 2011, OCE began a series of stakeholder meetings to consider the state of renewable energy programs in New Jersey, along with issues that arose because of the Solar Energy Advancement and Fair Competition Act (P.L. 2009, c. 289) and the 2011 Energy Master Plan. As a result of the stakeholder meetings, on May 23, 2012, the Board issued an Order (the "May 23, 2012 Order") containing specific provisions the EDCs were directed to follow with respect to their new SREC financing programs.

The May 23, 2012 Order directed the EDCs, including 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 EDC SREC Programs consistent with Staff's recommendations adopted by the Board herein." *Id.* at 28. In a letter dated June 1, 2012, ACE informed the Board of its intent to participate in the SREC II Financing Program (referred to herein as the "SREC II Financing Program" or the "SREC II Program") and that ACE's "willingness to make this voluntary filing is premised on the Board's approval of a program – including a cost recovery and incentive mechanism – that is similar in all material respects to the SREC I [Financing] Program that ACE has participated in with [JCP&L] and Rockland Electric Company since 2008."

On September 5, 2012, ACE submitted a Petition for Board approval of its proposed SREC II Financing Program, which was assigned BPU Docket No. EO12090799. Following a series of meetings, in which BPU Staff, ACE and representatives from Rate Counsel participated, a joint stipulation dated December 13, 2013, setting forth the parameters for ACE's SREC II Program, was agreed upon and submitted to the Board for its approval.¹ The Board approved the stipulation in an Order dated December 18, 2013 (the "December 2013 Order").

On October 26, 2018, the Company filed its initial Petition (the "2019 SREC II Petition") pursuant to the requirements of the December 2013 Order to set the Administrative Fee for calendar year 2019, as well as the Rider RGGI Surcharge for the recovery of the SREC II Financing Program's Direct Costs, which was assigned BPU Docket No. ER18101192. The 2019 SREC II Petition proposed the continuation of the Administrative Fee at \$17.07 per SREC and set the Program's Direct Cost RGGI Surcharge at \$0.000000 per kWh. Following several rounds of discovery by the Staff of the Board and Rate Counsel and responses thereto by the Company, the parties entered into a stipulation dated October 7, 2019 (the "2019 SREC II Stipulation"), which recommended to the Board that it issue an Order approving the continuation of the Administrative Fee for calendar year 2019 at the \$17.07 per SREC charge, and that it set the initial Rider RGGI Surcharge for the recovery of the SREC II Program's Direct Costs at \$0.000000 per kWh. By Order dated October 25, 2019, the Board approved the 2019 SREC II Stipulation.

On or about October 31, 2019, the Company filed a Petition (the "2020 SREC II Petition") pursuant to the requirements of the December 2013 Order to set the Administrative Fee for calendar year 2020, as well as the Rider RGGI Surcharge for the recovery of the SREC

¹ SREC II programs for JCP&L and Rockland Electric Company were similarly filed with, and approved by, the Board.

II Financing Program's Direct Costs, which was assigned BPU Docket No. ER19101429. The 2020 SREC II Petition proposed the continuation of the Administrative Fee at \$17.07 per SREC for calendar year 2020 and set the Direct Cost RGGI Surcharge at \$0.000000 per kWh. On December 20, 2019, the Board issued an Order approving the continuation of the Administrative Fee for calendar year 2020 at the \$17.07 per SREC charge. On or about April 14, 2020, the parties entered into a stipulation recommending the Board continue the Rider RGGI Surcharge for the recovery of the SREC II Program's Direct Costs at \$0.000000 per kWh (the "April 2020 SREC II Stipulation"). By Order dated May 20, 2020, the Board approved the April 2020 SREC II Stipulation.

Finally, on October 29, 2020, pursuant to the Board's December 2013 Order, the Company filed its SREC II True Up Petition requesting cost recovery through the applicable Rider RGGI, and the establishment of its annual Administrative Fee (the "October 2020 SREC II Petition"). The October 2020 SREC II Petition sought approved continuation of: (i) its Administrative Fee at the \$17.07 per SREC level; and (ii) continuation of the charge for its SREC II Financing Program's Direct Costs at \$0.000000 per kWh through its Rider RGGI Surcharge. By Order dated December 16, 2020, the Board approved the Company's request to continue the SREC II Financing Program's Administrative Fee for calendar year 2021 at the then applicable charge of \$17.07 per SREC (the "December 2020 SREC II Order"). The Board's December 2020 SREC II Order did not address the appropriate Rider RGGI charge for the direct costs associated with the SREC II Financing Program. On May 20, 2021, the parties entered into a stipulation recommending the Rider RGGI charge for the SREC II direct costs should remain at \$0.000000 per kWh. By Order dated June 24, 2021, the Board approved the stipulation.

TRANSITION RENEWABLE ENERGY CERTIFICATE PROGRAM

Background and Procedural History

On May 23, 2018, the Clean Energy Act of 2018 (“Clean Energy Act”) was signed into law. The Clean Energy Act required that the Board adopt rules and regulations to terminate the Solar Renewable Energy Certificate (“SREC” or “Legacy SREC”) Programs upon the Board’s determination that 5.1 percent of the kWh sold in the State by each electric power supplier and each basic generation supplier has been produced by solar electric power generators connected to the distribution system (the “5.1 percent Milestone”).

By Order dated December 6, 2019 (the “December 6, 2019 Order”), the Board created the Solar Transition Incentive Program, which established the TREC Program , designed to bridge the gap between the Legacy SREC Programs and a to-be-determined successor program. The TREC Program is designed to provide a transition for projects submitted to the Board prior to the adoption of the successor solar incentive program. This includes projects that applied to the Legacy SREC Programs after October 29, 2018, that have yet to commence commercial operations, and that remain in the SRP pipeline at the time the 5.1 percent Milestone is achieved.²

The December 6, 2019 Order required that the New Jersey Electric Distribution Companies (“EDCs”) work with Staff to jointly procure an administrator (“TREC Administrator”) to acquire the TRECs on behalf of the EDCs and assist with the retirement of TRECs for the benefit of load serving entities. The EDCs were ordered to purchase all TRECs

² By Order dated April 6, 2020 in BPU Docket No. QO19010068, the Board determined that the 5.1 percent Milestone would be achieved by April 30, 2020. Note that the Board, in its March 27, 2020 Order in BPU Docket No. QO18070698 (the “March 27, 2020 Order”), provided an exception from inclusion in the TREC Program. In pertinent part, the March 27, 2020 Order states “[f]or example, projects that applied to the Board for SREC eligibility pursuant to Subsection t on or before October 29, 2018 and were approved for conditional certification, which provides a two-year registration length, maintain their eligibility for SRECs regardless of when the state attains the 5.1 percent Milestone.” *See* March 27, 2020 Order at 3.

that are created by solar projects in the TREC program at a fixed price, to be set by future Board Order. The December 6, 2019 Order further provided that:

[T]he EDCs may recover reasonable and prudent costs for TREC procurement and TREC Administrator fees. Recovery shall be based on each EDC's proportionate share of retail electric sales. Each EDC shall make an annual filing for its costs and the recovery method, which shall be subject to approval by the Board.³

During the process of working with Staff, the EDCs were provided a schedule of estimated TREC procurement costs prepared by Staff ("TREC Procurement Schedule"). The TREC Procurement Schedule provided that the EDCs will make periodic payments for the procurement of TREC based on TREC generated as part of the TREC Program.

In accordance with the December 6, 2019 Order, ACE shall recover its portion of the costs to procure the TREC generated by projects in the TREC Program and the TREC Administrator's Fee, as well as any other direct costs associated with its' obligations for participation in the TREC Program, through a separate component of its Rider RGGI tariff.

After issuance of the December 6, 2019 Order, the EDCs selected InClime, Inc. ("InClime") as their TREC Administrator. Based upon the terms and conditions of the EDCs contract with InClime, for purposes of this filing, the TREC Administrator Fee is calculated to be \$1,195,417 ("TREC Administrator Fee") for the period November 2021 through October 2022 ("the program year").

Additionally, by Order dated March 9, 2020, in BPU Docket No. QO19010068 (the "March 9, 2020 Order"), the Board determined that the appropriate base compensation for solar developers in the Transition Incentive program should be set at \$152 per TREC. As noted in the

³ December 6, 2019 Order at 34.

March 9, 2020 Order, the specific value of a TREC earned would be calculated by multiplying the “factor” assigned to each TREC project with the base compensation for the appropriate year.

By stipulation dated July 23, 2020, the parties agreed that the TREC component of the Rider RGGI should be set at \$0.000559 per kWh based upon an initial estimate of \$4,468,221 for ACE’s costs of TREC procurements and Administrator Fee. By Order dated August 12, 2020 the Board approved the stipulation.

STIPULATION

The Parties to this Stipulation HEREBY STIPULATE AND AGREE to the following findings, conclusions, and determinations for the purpose of a full, final, and complete resolution of the issues raised in the Petition.

SREC I Program

The Parties agree that, with respect to the SREC I portion of the Petition, a decrease in the Rider RGGI charge associated with the SREC I Program as proposed by the Company is appropriate.

Exhibit A of this Stipulation sets forth the applicable changes to Petitioner’s Rider RGGI tariff for the SREC I Program. **Exhibit B** provides the supporting details associated with the development of the proposed adjustment to the Rider RGGI tariff for the SREC I program. In developing the adjusted SREC I tariff charge, the Company utilized the methodology for forecasting future SREC sales prices as previously approved by Board Order in BPU Docket No. ER16050402, dated November 30, 2016. Based upon actual program costs through May 2021, and forecasted costs from June 2021 through October 2022, Petitioner proposes to recover \$1,481,398 of costs associated with the SREC I Program. Approval of this reduction in program costs will result in a decrease in the Rider RGGI component for the SREC I Program.

2. The Parties agree that the Company's request to decrease the Company's Rider RGGI charge with respect to the SREC I Program from \$0.000299 to \$0.000189 per kilowatt hour ("kWh"), inclusive of New Jersey Sales and Use Tax ("SUT"), should be approved. For a typical residential customer using 680 kWh per month, this represents a rate decrease of \$0.08 or 0.06 percent on the customer's monthly bill.

SREC II Program

3. The Parties agree that, with respect to the SREC II Program component of the Petition, the Board should approve continuation of the \$17.07 per SREC for the Company's 2022 Administrative Fee effective for calendar year 2022 and maintain the rate for the Company's SREC II Program's direct costs through its Rider RGGI Surcharge at \$0.000000 per kWh.

4. **Exhibit C**, attached hereto, sets forth the unrecovered balance of administrative costs from initiation of the SREC II Program through the end of calendar year 2021, plus the projected administrative costs for calendar year 2022. As shown on **Exhibit C**, the total of administrative costs to be collected from program participants is projected to be \$441,276.

5. ACE's projected number of SRECs for calendar year 2022 is 8,301, to which the Administrative Fee is applied. As shown on **Exhibit C**, Table 2, utilizing the 2021 unrecovered program balance of \$413,113, plus the projected 2022 administrative costs of approximately \$25,658, and including interest for 2021 of \$2,506, the projected Administrative Fee for 2022 would be \$53.16 per SREC. The Parties agree that an increase of this magnitude from the current Administrative Fee of \$17.07 could cause the SREC II Program to fail, as project participants will likely seek to terminate their participation in the program as a result of such a precipitous increase in the Administrative Fee.

6. The Parties recognize and acknowledge that the Board's December 2013 Order provides: "Any under-recovery/over-recovery of Administrative Costs and Program Participant Fees, including the interest that accrues on any under-recovery/over-recovery, will not be subject to recovery from ratepayers, but will be deferred for accounting purposes until such time as there is a true-up of Administrative Costs and Program Participant Fees. After five years, there will be a true-up of Administrative Costs (including interest, if applicable but excluding SREC Transaction Fees) and Program Participant Fees, and the Program Participant Fees will be adjusted accordingly on a prospective basis. Beginning January 1, 2019, the Company will implement annual Program Participant Fee adjustments that will reflect any prior-year under-recovery/over-recovery as well as a projection of Administrative Costs over the next annual period." Additionally, the Parties recognize and acknowledge that the Board's December 2013 Order provides in paragraph 12 on page 10: "If, at the end of the SREC II Program cost amortization, there is a net over-recovery of SREC Sale Revenue relative to Direct Costs of purchasing SRECs, then this over-recovery will be, in the first instance, used to offset any under-recovered Administrative Costs (as defined below). Thereafter, any over-recovery will be returned to ratepayers through the Rider RRC." The Parties agree that this Stipulation does not modify these or any other provisions contained in the December 2013 Order. However, the Parties agree that ACE is authorized to carry forward any unrecovered administrative fee balance for recovery from Program Participants in future annual periods.

7 As shown on **Exhibit D**, attached hereto, there is projected to be an over-recovered balance, including interest, for SREC II Program direct costs of \$1,738,527. The Parties agree that the Rider RGGI Surcharge for the recovery of the SREC II Program's direct costs should be

continued at its current charge of \$0.000000 per kWh. **Exhibit A**, attached hereto, sets forth the Company's proposed Rider RGGI tariff for the SREC II Program.

TREC Program

8. Based upon the costs and calculations set forth in **Exhibit E**, attached hereto, the Parties agree that the proposed adjustment to the TREC component of the Company's Rider RGGI tariff is appropriate and should be approved by the Board. **Exhibit E** is ACE's calculation of the annual total revenue requirement necessary to recover its portion of the costs of the TREC Program, including the estimated TREC Administrator Fee, for the program year. The Company's projected annual revenue requirement for the program year is \$7,734,067, inclusive of its proportionate share of the TREC procurement costs and the Administrator Fee. ACE's proportionate sales percentage among all electric distribution companies in the State for the program year has been determined to be 12.21 percent.

9. The Parties agree that, based upon ACE's total projected annual revenue requirement for the program year of \$7,734,067, the adjustment to the Company's RGGI TREC Program charge from \$0.000559 to \$0.000988 per kWh is appropriate and should be approved by the Board. For an average residential customer using approximately 680 kWh per month, the TREC Program charge represents an increase of approximately \$0.29 or 0.21 percent on a total monthly bill. **Exhibit A** of this Stipulation sets forth the applicable changes to Petitioner's Rider RGGI tariff for the TREC Program.

10. The Parties agree that the Company shall submit updated tariff sheets within five (5) business days of the effective date of the Board's Order approving this Stipulation in conformance with the agreed upon rates and terms set-forth in the above paragraphs or on such other schedule as the Board shall determine.

11. The Parties acknowledge and agree that adoption by the Board of this Stipulation fully resolves the Company's combined and consolidated Petition for its SREC I Program, SREC II Program and TREC Program.

IMPACT SUMMARY

12. In the aggregate, the impact of the recommended tariff adjustments to the SREC I Program, SREC II Program and TREC Program on an average residential customer using approximately 680 kWh per month hereby represents an increase of approximately \$0.22 or 0.16 percent on a total monthly bill.

CONCLUSION

13. The Parties agree that this Stipulation contains mutual balancing and interdependent clauses and is intended to be accepted and approved in its entirety. In the event any particular provision of this Stipulation is not accepted and approved in its entirety by the Board or is modified by a court of competent jurisdiction, then any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right, upon written notice, to be provided to all other Parties within 10 days after receipt of any such adverse decision, to litigate all issues addressed herein to a conclusion. More particularly, in the event this Stipulation is not adopted in its entirety by the Board in an appropriate Order or is modified by a court of competent jurisdiction, then any Party hereto is free, upon the timely provision of such written notice, to pursue its then available legal remedies with respect to all issues addressed in this Stipulation, as though this Stipulation had not been signed.

14. The Parties agree that this Stipulation shall be binding on them for all purposes herein.

15. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and, except as otherwise expressly provided for herein:

- a. by executing this Stipulation, no Party waives any rights it possesses under any prior Stipulation, except where the terms of this Stipulation supersede any such prior Stipulation;
- b. the contents of this Stipulation shall not in any way be considered, cited or used by any of the Parties as an indication of any Party's position on any related or other issue litigated in any other proceeding or forum, except to enforce the terms of this Stipulation; and
- c. except as expressly provided herein, the Parties 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 in total or by specific item.

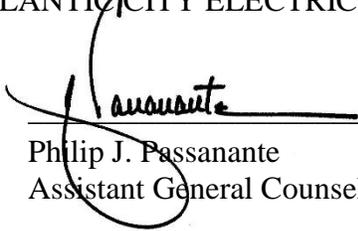
16. This Stipulation may be executed in any number of counterparts, each of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Parties.

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

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

ATLANTIC CITY ELECTRIC COMPANY

Dated: February 8, 2022

By:  _____

Philip J. Passanante
Assistant General Counsel

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

Dated: February 10, 2022

By:  _____

Steven A. Chaplar
Brandon C. Simmons
Deputy Attorneys General

BRIAN O. LIPMAN, ESQ.
DIRECTOR
DIVISION OF RATE COUNSEL

Dated: February 10, 2022

By: */s/ Sarah H. Steindel*

Sarah H. Steindel, Esq.
Assistant Deputy Rate Counsel

Exhibit A

ATLANTIC CITY ELECTRIC COMPANY
BPU NJ No. 11 Electric Service - Section IV Revised Sheet Replaces Revised Sheet No. 64

RIDER RGGI

Regional Greenhouse Gas Initiative Recovery Charge

A. Applicability

This Rider is applicable to Rate Schedules RS, MGS Secondary, MGS-SEVC, MGS Primary, AGS Secondary, AGS Primary, TGS, DDC, SPL and CSL. Amounts billed to customers shall include a charge to reflect regional greenhouse gas initiative program costs. Except where indicated otherwise, Rider "RGGI" will be determined annually based on projections of program costs (including an adjustment for variances between budgeted and actual prior year expenditures) and forecasts of kilowatt hour sales. The charge (in dollars per kilowatt hour) will be computed by dividing the total annual amount to be recovered for by forecasted retail sales (in kilowatt hours).

RGGI Programs

Solar Renewable Energy Certificate (SREC) (\$/kWh) \$0.000189

This charge component is intended to recover net costs associated with the Solar Renewable Energy Certificate Program.

Solar Renewable Energy Certificate (SREC II) (\$/kWh) \$0.000000

This charge component is intended to recover net costs associated with the Solar Renewable Energy Certificate II Program.

Transition Renewable Energy Certificate (TREC) (\$/kWh) \$0.000988

This charge component is intended to recover net costs associated with the Solar Transition Incentive Program.

Energy Efficiency Surcharge (EE) (\$/kWh) \$0.000411

This charge component is intended to recover the costs associated with the Energy Efficiency Program.

Total Rider RGGI Surcharge (\$/kWh) \$0.001588

Date of Issue:

Effective Date:

Issued by:

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV ~~Twenty-Third~~ Revised Sheet Replaces ~~Twenty-Second~~ Revised Sheet No. 64

RIDER RGGI

Regional Greenhouse Gas Initiative Recovery Charge

A. Applicability

This Rider is applicable to Rate Schedules RS, MGS Secondary, MGS-SEVC, MGS Primary, AGS Secondary, AGS Primary, TGS, DDC, SPL and CSL. Amounts billed to customers shall include a charge to reflect regional greenhouse gas initiative program costs. Except where indicated otherwise, Rider "RGGI" will be determined annually based on projections of program costs (including an adjustment for variances between budgeted and actual prior year expenditures) and forecasts of kilowatt hour sales. The charge (in dollars per kilowatt hour) will be computed by dividing the total annual amount to be recovered for by forecasted retail sales (in kilowatt hours).

RGGI Programs

Solar Renewable Energy Certificate (SREC) (\$/kWh) \$0.~~000299000189~~
This charge component is intended to recover net costs associated with the Solar Renewable Energy Certificate Program.

Solar Renewable Energy Certificate (SREC II) (\$/kWh) \$0.000000
This charge component is intended to recover net costs associated with the Solar Renewable Energy Certificate II Program.

Transition Renewable Energy Certificate (TREC) (\$/kWh) \$0.~~000559000988~~
This charge component is intended to recover net costs associated with the Solar Transition Incentive Program.

Energy Efficiency Surcharge (EE) (\$/kWh) \$0.000411
This charge component is intended to recover the costs associated with the Energy Efficiency Program.

Date of Issue: ~~June 28, 2021~~

Effective Date: ~~July 1, 2021~~

~~Issued by: David M. Velazquez, President and Chief Executive Officer – Atlantic City Electric Company
Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the
BPU Docket Nos. EO20090621, QO19010040 and ER20100688~~ Issued by:

Exhibit B

ATLANTIC CITY ELECTRIC COMPANY
RGGI Recovery Charge
Solar Renewable Energy Certificate (SREC) Financing Program

SECTION I FORECASTED YEAR RECOVERY SCHEDULE

Table 1 - Forecasted Program Year Monthly Delivered Sales (MWH)

Nov-21	572,584
Dec-21	616,173
Jan-22	718,090
Feb-22	697,300
Mar-22	634,359
Apr-22	603,757
May-22	539,715
Jun-22	674,309
Jul-22	863,253
Aug-22	955,071
Sep-22	888,371
Oct-22	593,767
	<u>8,356,748</u>

Table 2 - SREC Forecasted Program Year Revenue Requirement

(1)	(2)	(3)	(4)	(5)	(6)
Month	Auction Revenue (including collateral)	Transaction Fees Uncollected	SREC Purchases	Administrative Costs	Revenue Requirement = Col 3 +Col 4+ +Col 5 - Col 2
Nov-21	\$ -	\$ -	\$ -	\$ 2,941	\$ 2,941
Dec-21	\$ 734,527	\$ 71,678	\$ -	\$ 2,941	\$ (659,908)
Jan-22	\$ -	\$ -	\$ 1,151,993	\$ 2,941	\$ 1,154,933
Feb-22	\$ -	\$ -	\$ -	\$ 2,941	\$ 2,941
Mar-22	\$ 334,189	\$ 32,611	\$ -	\$ 2,941	\$ (298,637)
Apr-22	\$ -	\$ -	\$ 532,940	\$ 2,941	\$ 535,880
May-22	\$ -	\$ -	\$ -	\$ 2,941	\$ 2,941
Jun-22	\$ -	\$ -	\$ -	\$ 2,941	\$ 2,941
Jul-22	\$ 529,183	\$ 51,640	\$ 811,358	\$ 2,941	\$ 336,756
Aug-22	\$ -	\$ -	\$ -	\$ 2,941	\$ 2,941
Sep-22	\$ -	\$ -	\$ -	\$ 2,941	\$ 2,941
Oct-22	\$ 515,156	\$ 50,271	\$ 798,985	\$ 2,941	\$ 337,040
	\$ 2,113,055	\$ 206,200	\$ 3,295,275	\$ 35,288	\$ 1,423,708

Table 3 - SREC Prior Year Monthly Over/Under Recovered Balances

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Month	Auction Revenue (including collateral)	Transaction Fees Uncollected	SREC Rate Revenue	Transaction Fees Collected	SREC Purchases	Administrative Costs	Over/(Under) Recovery	Over/(Under) Recovery Beginning Monthly Balance	Over/(Under) Recovery Ending Monthly Balance	Avg Monthly Balance = (Col 9 + Col 10)/2	Net of Tax Avg Monthly Balance =Col 11 x (1- Composite Tax Factor)	2yr. constant Maturity Treasury + 60 B.P.	Interest = Col 12 x Col 13/12
Jul-20	\$ -	\$ -	\$ 264,192	\$ 36,256	\$ 1,804,234	\$ 1,939	\$ (266,479)	\$ 570,558	\$ 304,079	\$ 437,318	\$ 314,388	0.77%	\$ 201.73
Aug-20	\$ -	\$ -	\$ 292,347	\$ 40,075	\$ 4,300	\$ 8,508	\$ 319,614	\$ 304,079	\$ 623,692	\$ 463,885	\$ 333,487	0.71%	\$ 197.31
Sep-20	\$ -	\$ -	\$ 255,093	\$ 34,980	\$ -	\$ 2,992	\$ 287,081	\$ 623,692	\$ 910,773	\$ 767,232	\$ 551,563	0.73%	\$ 335.53
Oct-20	\$ 1,453,093	\$ 143,650	\$ 169,062	\$ 23,205	\$ 2,270,654	\$ 5,951	\$ (774,895)	\$ 910,773	\$ 135,878	\$ 523,325	\$ 376,219	0.74%	\$ 232.00
Nov-20	\$ -	\$ -	\$ 162,401	\$ 22,281	\$ -	\$ 1,762	\$ 182,921	\$ 135,878	\$ 318,798	\$ 227,338	\$ 163,433	0.76%	\$ 103.51
Dec-20	\$ 651,298	\$ 62,800	\$ 160,136	\$ 31,595	\$ -	\$ 6,423	\$ 773,807	\$ 318,798	\$ 1,092,606	\$ 705,702	\$ 507,329	0.77%	\$ 325.54
Jan-21	\$ -	\$ -	\$ 150,140	\$ 32,911	\$ 1,343,664	\$ 2,010	\$ (1,162,623)	\$ 1,095,888	\$ (66,735)	\$ 514,577	\$ 369,929	0.71%	\$ 218.87
Feb-21	\$ -	\$ -	\$ 160,854	\$ 33,589	\$ -	\$ 2,088	\$ 192,354	\$ (66,735)	\$ 125,620	\$ 29,442	\$ 21,166	0.71%	\$ 12.52
Mar-21	\$ 567,044	\$ 54,239	\$ 154,938	\$ 33,402	\$ -	\$ 2,430	\$ 698,716	\$ 125,620	\$ 824,335	\$ 474,977	\$ 341,461	0.73%	\$ 207.72
Apr-21	\$ -	\$ -	\$ 138,053	\$ 29,610	\$ 843,251	\$ 2,000	\$ (677,589)	\$ 824,335	\$ 146,747	\$ 485,541	\$ 349,055	0.77%	\$ 223.98
May-21	\$ -	\$ -	\$ 119,330	\$ 25,673	\$ -	\$ 2,174	\$ 142,829	\$ 146,747	\$ 289,575	\$ 218,161	\$ 156,836	0.76%	\$ 99.33
Jun-21	\$ -	\$ -	\$ 152,725	\$ 32,537	\$ -	\$ 2,941	\$ 182,322	\$ 289,575	\$ 471,897	\$ 380,736	\$ 273,711	0.76%	\$ 173.35
Jul-21	\$ 1,055,414	\$ 102,991	\$ 197,082	\$ 41,987	\$ 1,617,822	\$ 2,941	\$ (429,271)	\$ 471,897	\$ 42,626	\$ 257,262	\$ 184,945	0.76%	\$ 117.13
Aug-21	\$ -	\$ -	\$ 218,326	\$ 46,513	\$ -	\$ 2,941	\$ 261,899	\$ 42,626	\$ 304,525	\$ 173,575	\$ 124,783	0.76%	\$ 79.03
Sep-21	\$ -	\$ -	\$ 202,815	\$ 43,208	\$ -	\$ 2,941	\$ 243,083	\$ 304,525	\$ 547,608	\$ 426,066	\$ 306,299	0.76%	\$ 193.99
Oct-21	\$ 1,182,136	\$ 115,357	\$ 135,219	\$ 28,808	\$ 1,834,599	\$ 2,941	\$ (606,734)	\$ 547,608	\$ (59,127)	\$ 244,241	\$ 175,585	0.76%	\$ 111.20

Notes:
1.) Actuals Jul. 20 - May 21, Forecasted Jun. 21 - Oct. 21.

SECTION II RGGI RECOVERY CHARGE (SREC COMPONENT) CALCULATION

Forecasted Revenue Requirement (Nov21-Oct22)	\$ 1,423,708
SREC Deferred Balance (Over)/Under Recovery	\$ 59,127
Interest (Jan. 21 - Oct. 21)	\$ (1,437)
Total Revenue Requirement to be Recovered	\$ 1,481,398
Retail Sales - kwh	8,356,747,589
\$/KWH Surcharge	\$ 0.000177
BPU Assessment	\$ -
\$/KWH Surcharge with SUT	\$ 0.000189

ATLANTIC CITY ELECTRIC COMPANY

Computation of NJ Tax Factors

As of April 1, 2021

Line No.	Description	Statutory Tax Rate
1	BPU Assessment	0.269%
2	NJ Income Tax Rate	9.000%
3	Federal Income Tax Rate	21.00%

Line No.	Description	Computation	Total Tax Factor	Income Tax Factor
4	BPU Assessment	line 1	0.2690%	0.0000%
5	NJ Income Tax Factor	(100%-line 1) x line 2	8.9758%	9.0000%
6	Federal Income Tax Factor	(100% - (line 4 + line 5)) x line 3	19.0586%	19.1100%
7	Composite Tax Factor	line 4 + line 5 + line 6	28.3034%	28.1100%
8	Complement of Composite Tax Factor	100% - (line 4 + line 5 + line 6)	71.6966%	71.8900%

As of April 1, 2021

Line No.	Description	Statutory Tax Rate
1	BPU Assessment	0.269%
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3	Federal Income Tax Rate	21.00%

Line No.	Description	Computation	Total Tax Factor	Income Tax Factor
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ATLANTIC CITY ELECTRIC COMPANY

RGGI Recovery Charge

Solar Renewable Energy Certificate (SREC) Financing Program

New Jersey Deferral Calculation Interest Rates

(1)	(2) Rate on 1st of Current Month		
<u>Date</u>	2yr. constant <u>maturity Treasury</u>	<u>+ 60 bp</u>	<u>Interest Rate</u>
Jul-20	0.17%	0.60%	0.77%
Aug-20	0.11%	0.60%	0.71%
Sep-20	0.13%	0.60%	0.73%
Oct-20	0.14%	0.60%	0.74%
Nov-20	0.16%	0.60%	0.76%
Dec-20	0.17%	0.60%	0.77%
Jan-21	0.11%	0.60%	0.71%
Feb-21	0.11%	0.60%	0.71%
Mar-21	0.13%	0.60%	0.73%
Apr-21	0.17%	0.60%	0.77%
May-21	0.16%	0.60%	0.76%

Exhibit C

ATLANTIC CITY ELECTRIC COMPANY

Administrative Fee Development

Administrative Costs - To be recovered from Program Participants

Solar Renewable Energy Certificate II (SREC II) Financing Program

Table 1 - SREC II Administrative Monthly Over/Under Recovered Balances

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
				= Col 2 + Col 3 - Col 4			= (Col 6 + Col 7)/2	=Col 8 x (1- Composite Tax Factor)		= Col 9 x Col 10/12
	Assignment / Application Fees/	Administrative Fees	Administrative	Over/(Under)	Over/(Under) Recovery Beginning Monthly	Over/(Under) Recovery Ending Monthly	Avg Monthly Balance	Net of Tax Avg Monthly Balance	2yr. constant Maturity Treasury + 60 B.P.	Monthly Interest
Month	Deposit Defaults	Collected	Costs	Recovery	Balance	Balance	Balance	Balance		
Oct-20	\$ -	\$ 27,073	\$ 3,037	\$ 24,036	\$ (539,998)	\$ (515,961)	\$ (527,979)	\$ (379,564)	0.74%	\$ (234.06)
Nov-20	\$ -	\$ -	\$ 1,825	\$ (1,825)	\$ (515,961)	\$ (517,786)	\$ (516,874)	\$ (371,581)	0.76%	\$ (235.33)
Dec-20	\$ -	\$ -	\$ 4,665	\$ (4,665)	\$ (517,786)	\$ (522,451)	\$ (520,119)	\$ (373,913)	0.77%	\$ (239.93)
Jan-21	\$ -	\$ 17,241	\$ 1,854	\$ 15,387	\$ (526,549)	\$ (511,162)	\$ (518,855)	\$ (373,005)	0.71%	\$ (220.69)
Feb-21	\$ 24,160	\$ -	\$ 2,389	\$ 21,771	\$ (511,162)	\$ (489,391)	\$ (500,277)	\$ (359,649)	0.71%	\$ (212.79)
Mar-21	\$ -	\$ -	\$ 2,496	\$ (2,496)	\$ (489,391)	\$ (491,887)	\$ (490,639)	\$ (352,721)	0.73%	\$ (214.57)
Apr-21	\$ -	\$ 10,737	\$ 2,129	\$ 8,608	\$ (491,887)	\$ (483,279)	\$ (487,583)	\$ (350,523)	0.77%	\$ (224.92)
May-21	\$ -	\$ -	\$ 2,174	\$ (2,174)	\$ (483,279)	\$ (485,453)	\$ (484,366)	\$ (348,211)	0.76%	\$ (220.53)
Jun-21	\$ -	\$ -	\$ 2,138	\$ (2,138)	\$ (485,453)	\$ (487,591)	\$ (486,522)	\$ (349,761)	0.76%	\$ (221.52)
Jul-21	\$ -	\$ 43,654	\$ 2,138	\$ 41,516	\$ (487,591)	\$ (446,075)	\$ (466,833)	\$ (335,606)	0.76%	\$ (212.55)
Aug-21	\$ -	\$ -	\$ 2,138	\$ (2,138)	\$ (446,075)	\$ (448,214)	\$ (447,145)	\$ (321,452)	0.76%	\$ (203.59)
Sep-21	\$ -	\$ -	\$ 2,138	\$ (2,138)	\$ (448,214)	\$ (450,352)	\$ (449,283)	\$ (322,989)	0.76%	\$ (204.56)
Oct-21	\$ -	\$ 43,654	\$ 2,138	\$ 41,516	\$ (450,352)	\$ (408,836)	\$ (429,594)	\$ (308,835)	0.76%	\$ (195.60)
Nov-21	\$ -	\$ -	\$ 2,138	\$ (2,138)	\$ (408,836)	\$ (410,974)	\$ (409,905)	\$ (294,681)	0.76%	\$ (186.63)
Dec-21	\$ -	\$ -	\$ 2,138	\$ (2,138)	\$ (410,974)	\$ (413,113)	\$ (412,044)	\$ (296,218)	0.76%	\$ (187.60)

Notes:

1.) Actuals through May 21, Forecasted Jun. 21 - Dec. 21.

ATLANTIC CITY ELECTRIC COMPANY

Administrative Fee Development

Administrative Costs - To be recovered from Program Participants

Solar Renewable Energy Certificate II (SREC II) Financing Program

Table 2 - SREC II Administrative Fee Calculation

	SREC II Administrative Costs Deferred Balance (Over)/Under Recovery	\$ 413,113
	Projected Administrative Costs for 2022	\$ 25,658
	Interest (Jan 21 - Dec 21)	<u>\$ 2,506</u>
(A)	Total Administrative Costs to be Recovered	\$ 441,276
(B)	Projected Number of SREC's - 2022	8,301
= (A)/(B)	Administrative Fee - 2022	<u><u>\$ 53.16</u></u>

ATLANTIC CITY ELECTRIC COMPANY

Computation of NJ Tax Factors

As of April 1, 2021

Line No.	Description	Statutory Tax Rate
1	BPU Assessment	0.269%
2	NJ Income Tax Rate	9.000%
3	Federal Income Tax Rate	21.00%

Line No.	Description	Computation	Total Tax Factor	Income Tax Factor
4	BPU Assessment	line 1	0.2690%	0.0000%
5	NJ Income Tax Factor	(100%-line 1) x line 2	8.9758%	9.0000%
6	Federal Income Tax Factor	(100% - (line 4 + line 5)) x line 3	19.0586%	19.1100%
7	Composite Tax Factor	line 4 + line 5 + line 6	28.3034%	28.1100%
8	Complement of Composite Tax Factor	100% - (line 4 + line 5 + line 6)	71.6966%	71.8900%

As of April 1, 2021

Line No.	Description	Statutory Tax Rate
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ATLANTIC CITY ELECTRIC COMPANY
 RGGI Recovery Charge
 Solar Renewable Energy Certificate II (SREC II) Financing Program
 New Jersey Deferral Calculation Interest Rates

(1)	(2)			
Date	Rate on 1st of Current Month 2yr. constant maturity Treasury	+ 60 bp	Interest Rate	
Oct-20	0.14%	0.60%	0.74%	
Nov-20	0.16%	0.60%	0.76%	
Dec-20	0.17%	0.60%	0.77%	
Jan-21	0.11%	0.60%	0.71%	
Feb-21	0.11%	0.60%	0.71%	
Mar-21	0.13%	0.60%	0.73%	
Apr-21	0.17%	0.60%	0.77%	
May-21	0.16%	0.60%	0.76%	

Exhibit D

ATLANTIC CITY ELECTRIC COMPANY

RGGI Recovery Charge - To be recovered from Ratepayers
Solar Renewable Energy Certificate II (SREC II) Financing Program

SECTION I FORECASTED YEAR RECOVERY SCHEDULE

Table 1 - Forecasted Program Year Monthly Delivered Sales (MWH)

Nov-21	572,584
Dec-21	616,173
Jan-22	718,090
Feb-22	697,300
Mar-22	634,359
Apr-22	603,757
May-22	539,715
Jun-22	674,309
Jul-22	863,253
Aug-22	955,071
Sep-22	888,371
Oct-22	593,767
	<hr/>
	8,356,748

Table 2 - SREC II Forecasted Program Year Revenue Requirement

	(1)	(2)	(3)	(4)
				= Col 3 - Col 2
Month	Auction Revenue	SREC Purchases	Revenue Requirement	
Nov-21	\$ -	\$ -	\$ -	-
Dec-21	\$ 583,885	\$ -	\$ (583,885)	
Jan-22	\$ -	\$ 438,144	\$ 438,144	
Feb-22	\$ -	\$ -	\$ -	
Mar-22	\$ 480,838	\$ -	\$ (480,838)	
Apr-22	\$ -	\$ 352,608	\$ 352,608	
May-22	\$ -	\$ -	\$ -	
Jun-22	\$ -	\$ -	\$ -	
Jul-22	\$ 480,838	\$ 352,608	\$ (128,230)	
Aug-22	\$ -	\$ -	\$ -	
Sep-22	\$ -	\$ -	\$ -	
Oct-22	\$ 480,838	\$ 352,608	\$ (128,230)	
	<hr/>	<hr/>	<hr/>	
	\$ 2,026,398	\$ 1,495,969	\$ (530,429)	

Table 3 - SREC II Prior Year Monthly Over/Under Recovered Balances

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
			= Col 2 - Col 3	Over/(Under) Recovery Beginning Monthly	Over/(Under) Recovery Ending Monthly	= (Col 5 + Col 6)/2	=Col 7 x (1- Composite Tax Factor)	2yr. constant Maturity Treasury	= Col 8 x Col 9/12
Month	Auction Revenue	SREC Purchases	Over/(Under) Recovery	Balance	Balance	Avg Monthly Balance	Net of Tax Avg Monthly Balance	+ 60 B.P.	Monthly Interest
Oct-20	\$ 364,464	\$ 236,190	\$ 128,274	\$ 687,013	\$ 815,287	\$ 751,150	\$ 540,002	0.74%	\$ 333.00
Nov-20	\$ -	\$ -	\$ -	\$ 815,287	\$ 815,287	\$ 815,287	\$ 586,110	0.76%	\$ 371.20
Dec-20	\$ 168,682	\$ -	\$ 168,682	\$ 815,287	\$ 983,969	\$ 899,628	\$ 646,743	0.77%	\$ 414.99
Jan-21	\$ -	\$ 151,964	\$ (151,964)	\$ 988,536	\$ 836,572	\$ 912,554	\$ 656,035	0.71%	\$ 388.15
Feb-21	\$ -	\$ -	\$ -	\$ 836,572	\$ 836,572	\$ 836,572	\$ 601,412	0.71%	\$ 355.84
Mar-21	\$ 171,696	\$ -	\$ 171,696	\$ 836,572	\$ 1,008,268	\$ 922,420	\$ 663,128	0.73%	\$ 403.40
Apr-21	\$ -	\$ 96,000	\$ (96,000)	\$ 1,008,268	\$ 912,268	\$ 960,268	\$ 690,337	0.77%	\$ 442.97
May-21	\$ -	\$ -	\$ -	\$ 912,268	\$ 912,268	\$ 912,268	\$ 655,830	0.76%	\$ 415.36
Jun-21	\$ -	\$ -	\$ -	\$ 912,268	\$ 912,268	\$ 912,268	\$ 655,830	0.76%	\$ 415.36
Jul-21	\$ 583,885	\$ 438,144	\$ 145,741	\$ 912,268	\$ 1,058,009	\$ 985,139	\$ 708,216	0.76%	\$ 448.54
Aug-21	\$ -	\$ -	\$ -	\$ 1,058,009	\$ 1,058,009	\$ 1,058,009	\$ 760,603	0.76%	\$ 481.72
Sep-21	\$ -	\$ -	\$ -	\$ 1,058,009	\$ 1,058,009	\$ 1,058,009	\$ 760,603	0.76%	\$ 481.72
Oct-21	\$ 583,885	\$ 438,144	\$ 145,741	\$ 1,058,009	\$ 1,203,750	\$ 1,130,879	\$ 812,989	0.76%	\$ 514.89

Notes:

1.) Actuals through May 21, Forecasted Jun. 21 - Oct. 21

SECTION II RGGI RECOVERY CHARGE (SREC II COMPONENT) CALCULATION

Forecasted Revenue Requirement (Nov 21 - Oct 22)	\$ (530,429)
SREC II Deferred Balance (Over)/Under Recovery	\$ (1,203,750)
Interest (Jan 21 - Oct 21)	\$ (4,348)
Total Revenue Requirement to be Recovered	\$ (1,738,527)
Retail Sales - kwh	8,356,747,589
\$/KWH Surcharge	\$ -
BPU Assessment	\$ -
\$/KWH Surcharge with SUT	\$ -

ATLANTIC CITY ELECTRIC COMPANY

Computation of NJ Tax Factors

As of April 1, 2021

Line No.	Description	Statutory Tax Rate
1	BPU Assessment	0.269%
2	NJ Income Tax Rate	9.000%
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7	Composite Tax Factor	line 4 + line 5 + line 6	28.3034%	28.1100%
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As of April 1, 2021

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ATLANTIC CITY ELECTRIC COMPANY

RGGI Recovery Charge

Solar Renewable Energy Certificate II (SREC II) Financing Program

New Jersey Deferral Calculation Interest Rates

(1)	(2)			
Date	Rate on 1st of Current Month 2yr. constant maturity Treasury	+ 60 bp	<u>Interest Rate</u>	
Oct-20	0.14%	0.60%	0.74%	
Nov-20	0.16%	0.60%	0.76%	
Dec-20	0.17%	0.60%	0.77%	
Jan-21	0.11%	0.60%	0.71%	
Feb-21	0.11%	0.60%	0.71%	
Mar-21	0.13%	0.60%	0.73%	
Apr-21	0.17%	0.60%	0.77%	
May-21	0.16%	0.60%	0.76%	

Exhibit E

Table 3 - TREC Monthly Over/Under Recovered Balances

(1)	(2)	(3)	(4)	(5) = Col 2 - Col 3 - Col 4	(6) Over/(Under) Recovery Beginning Monthly Balance	(7) Over/(Under) Recovery Ending Monthly Balance	(8) = (Col 6 + Col 7)/2 Avg Monthly Balance	(9) =Col 8 x (1-Composite Tax Factor) Net of Tax Avg Monthly Balance	(10) 2yr. constant Maturity Treasury + 60 B.P.	(11) = Col 9 x Col 10/12 Monthly Interest
Month	TREC Rate Revenue	TREC Purchases	TREC Administrator Fees	Over/(Under) Recovery	Over/(Under) Recovery Beginning Monthly Balance	Over/(Under) Recovery Ending Monthly Balance	Avg Monthly Balance	Net of Tax Avg Monthly Balance	2yr. constant Maturity Treasury + 60 B.P.	Monthly Interest
Sep-20	\$ 178,922	\$ -	\$ -	\$ 178,922	\$ -	\$ 178,922	\$ 89,461	\$ 64,314	0.73%	\$ 39.12
Oct-20	\$ 322,167	\$ -	\$ -	\$ 322,167	\$ 178,922	\$ 501,090	\$ 340,006	\$ 244,430	0.74%	\$ 150.73
Nov-20	\$ 307,567	\$ 3,996	\$ 15,584	\$ 287,987	\$ 501,090	\$ 789,077	\$ 645,083	\$ 463,750	0.76%	\$ 293.71
Dec-20	\$ 341,123	\$ 17,407	\$ 7,816	\$ 315,900	\$ 789,077	\$ 1,104,977	\$ 947,027	\$ 680,818	0.77%	\$ 436.86
Jan-21	\$ 366,939	\$ 23,079	\$ 7,800	\$ 336,061	\$ 1,105,898	\$ 1,441,958	\$ 1,273,928	\$ 915,827	0.71%	\$ 541.86
Feb-21	\$ 330,453	\$ 64,222	\$ 7,800	\$ 258,431	\$ 1,441,958	\$ 1,700,389	\$ 1,571,174	\$ 1,129,517	0.71%	\$ 668.30
Mar-21	\$ 352,197	\$ 219,462	\$ 7,800	\$ 124,936	\$ 1,700,389	\$ 1,825,325	\$ 1,762,857	\$ 1,267,318	0.73%	\$ 770.95
Apr-21	\$ 313,167	\$ 136,815	\$ 7,800	\$ 168,553	\$ 1,825,325	\$ 1,993,878	\$ 1,909,602	\$ 1,372,813	0.77%	\$ 880.89
May-21	\$ 270,942	\$ 154,233	\$ 7,704	\$ 109,005	\$ 1,993,878	\$ 2,102,883	\$ 2,048,381	\$ 1,472,581	0.76%	\$ 932.63
Jun-21	\$ 352,663	\$ 217,450	\$ 7,704	\$ 127,509	\$ 2,102,883	\$ 2,230,393	\$ 2,166,638	\$ 1,557,596	0.76%	\$ 986.48
Jul-21	\$ 451,481	\$ 275,648	\$ 7,704	\$ 168,129	\$ 2,230,393	\$ 2,398,522	\$ 2,314,457	\$ 1,663,863	0.76%	\$ 1,053.78
Aug-21	\$ 499,502	\$ 402,626	\$ 7,704	\$ 89,172	\$ 2,398,522	\$ 2,487,694	\$ 2,443,108	\$ 1,756,350	0.76%	\$ 1,112.36
Sep-21	\$ 464,618	\$ 477,144	\$ 7,704	\$ (20,230)	\$ 2,487,694	\$ 2,467,464	\$ 2,477,579	\$ 1,781,131	0.76%	\$ 1,128.05
Oct-21	\$ 310,540	\$ 544,579	\$ 7,704	\$ (241,743)	\$ 2,467,464	\$ 2,225,721	\$ 2,346,592	\$ 1,686,965	0.76%	\$ 1,068.41

Notes:
1.) Actuals Jul. 20 - May 21, Forecasted Jun. 21 - Oct. 21.

SECTION II RGGI RECOVERY CHARGE (TREC COMPONENT) CALCULATION

Forecasted Revenue Requirement (Nov21-Oct22)	\$ 9,968,931
TREC Deferred Balance (Over)/Under Recovery	\$ (2,225,721)
Interest (Jan. 21 - Oct. 21)	\$ (9,144)
Total Revenue Requirement	\$ 7,734,067
Retail Sales - kwh	8,356,747,589
\$/KWH Surcharge	\$ 0.000925
BPU Assessment	\$ 0.000002
\$/KWH Surcharge with SUT	\$ 0.000988

ATLANTIC CITY ELECTRIC COMPANY
NJ EDC TREC Forecast
Transition Renewable Energy Certificate (TREC) Solar Program

NJ EDC TREC Forecast															TREC Revenue Requirements		
Average TREC \$/MWh \$128.97													ACE Share	12.2131%			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)					
Program Assumption	Program Assumption	Program Assumption	Program Assumption	Program Assumption	Program Assumption	Col 6 * Avg. TREC \$/MWh	Prior Col 12 + Col 7	Sum of Col 6 per Col 8	Program Assumption	Col 7 + Col 11	Col 12 * [ACE Share] per Month		TREC Costs + Administrator Fee - ACE Share				
Calendar	Year	Month	Est. Capacity Generating TRECs (kWdc)	Total TI Approved Capacity (kWdc)	Est Approved TRECs (MWh)	Total Capacity Set Up for Payments (kWdc)	Est New TRECs Received in GATS Account (MWh)	TRECs Invoiced (MWh)	Cost of TRECs invoiced (\$)	EY	Cumulative TREC Cost / Energy Year (\$)	TRECs / Energy Year (MWh)	TREC Administrator Fee (\$)	TREC Costs + Administrator Fee (\$)	Month	TREC Costs + Administrator Fee - ACE Share	
1	2021	June	294,358	188,855	19,263	138,143	14,091	13,744	\$1,780,467	22	\$1,780,467		\$63,083	\$1,843,551	1	Jun-21	\$225,154
2		July	339,093	204,064	23,059	156,300	17,662	18,436	\$2,256,987	22	\$4,037,454		\$63,083	\$2,320,071	2	Jul-20	\$283,352
3		August	383,829	268,680	31,704	201,510	23,778	25,562	\$3,296,676	22	\$7,334,130		\$63,083	\$3,359,759	3	Aug-21	\$410,330
4		September	426,439	298,507	35,224	238,806	28,179	30,293	\$3,906,825	22	\$11,240,955		\$63,083	\$3,969,908	4	Sep-21	\$484,848
5		October	466,923	326,846	40,202	261,477	32,162	34,574	\$4,458,978	22	\$15,699,933		\$63,083	\$4,522,062	5	Oct-21	\$552,283
6		November	507,407	355,185	40,846	284,148	32,677	35,128	\$4,530,428	22	\$20,230,361		\$63,083	\$4,593,512	6	Nov-21	\$561,009
7		December	547,891	410,918	41,092	349,280	34,928	36,674	\$4,729,902	22	\$24,960,263		\$72,750	\$4,802,652	7	Dec-21	\$586,552
8	2022	January	582,072	436,554	36,671	371,071	31,170	32,728	\$4,220,988	22	\$29,181,251		\$77,583	\$4,298,571	8	Jan-22	\$524,988
9		February	610,559	457,919	30,681	389,231	26,078	27,382	\$3,531,510	22	\$32,712,761		\$82,417	\$3,613,926	9	Feb-22	\$441,372
10		March	639,654	511,723	29,680	460,551	26,712	28,048	\$3,617,291	22	\$36,330,052		\$87,250	\$3,704,541	10	Mar-22	\$452,439
11		April	668,749	534,999	38,520	481,499	34,668	36,401	\$4,694,680	22	\$41,024,732		\$92,083	\$4,786,763	11	Apr-22	\$584,611
12		May	695,684	556,547	46,750	500,892	42,075	44,179	\$5,697,729	22	\$46,722,461	363,148	\$96,917	\$5,794,646	12	May-22	\$707,705
13		June	720,459	612,391	62,464	581,771	59,341	62,308	\$8,035,821	23	\$8,035,821		\$106,333	\$8,142,155	13	Jun-22	\$994,408
14		July	745,235	633,450	71,580	601,777	68,001	71,401	\$9,208,570	23	\$17,244,391		\$115,500	\$9,324,070	14	Jul-22	\$1,138,756
15		August	770,010	654,509	77,232	621,783	73,370	77,039	\$9,935,715	23	\$27,180,106		\$124,667	\$10,060,382	15	Aug-22	\$1,228,682
16		September	788,383	709,544	83,726	674,067	79,540	81,528	\$10,514,721	23	\$37,694,827		\$133,833	\$10,648,554	16	Sep-22	\$1,300,516
17		October	800,352	720,316	88,599	720,316	88,599	90,814	\$11,712,269	23	\$49,407,096	383,090	\$143,000	\$11,855,269	17	Oct-22	\$1,447,893

Notes:

- Column (1): Program assumption from BPU Staff that represents the estimated capacity generating TRECs at the end of each month.
- Column (2): Total Transition Incentive approved capacity registered for TREC payments at the end of each month.
- Column (3): Estimated approved capacity generating TRECs at the end of each month.
- Column (4): Represents the solar capacity (kWdc) set up for payments for TRECs at the end of each month.
- Column (5): Estimated new TRECs in the GATS account at the end of each month.
- Column (6): The monthly quantity of TRECs to be invoiced to the EDCs for payments.
- Column (7): The cost of monthly TRECs invoiced. The actual cost for June and July 2021 were used as those were known at the time of filing. The Avg. TREC \$/MWh was used for July 21 through Oct. 22
- Column (11): The monthly expense for the TREC Administrator to manage and implement the TREC Program on behalf of the NJ EDCs.
- Column (12): The sum of the cost of the monthly TRECs invoiced (Column 7) and the TREC Administrator Fee (Column 11).
- Column (13): ACE's share of the cost of the TRECs created + Administrator Fee.

ATLANTIC CITY ELECTRIC COMPANY
 EDC 2020 Actual Billed Sales (kWh)
 Transition Renewable Energy Certificate (TREC) Solar Program

Month	1	2	3	4	5	6	7	8	9	10	11	12		
Year	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020		
	January	February	March	April	May	June	July	August	September	October	November	December	Total	% of Total
PSE&G	3,425,716,252	3,175,683,745	3,057,304,388	2,945,874,230	2,734,490,677	3,225,266,218	3,968,606,895	4,143,492,628	3,767,138,738	2,949,433,560	2,992,002,686	3,230,387,322	39,615,397,339	57.11%
JCP&L	1,669,602,545	1,557,209,538	1,518,304,556	1,407,171,163	1,332,403,448	1,585,502,538	2,021,173,236	2,291,191,739	2,036,814,792	1,490,435,312	1,349,387,879	1,506,903,378	19,766,100,124	28.50%
ACE	743,334,447	619,029,214	599,934,346	607,609,316	497,447,780	600,423,546	962,907,560	1,064,320,831	929,003,579	616,280,047	591,757,571	639,216,851	8,471,265,088	12.21%
RECO	134,082,277	114,561,789	106,435,634	99,886,254	101,243,239	123,157,475	159,356,757	171,767,646	151,237,141	118,909,375	109,588,181	119,247,977	1,509,473,745	2.18%
Total	5,972,735,521	5,466,484,286	5,281,978,924	5,060,540,963	4,665,585,144	5,534,349,777	7,112,044,448	7,670,772,844	6,884,194,250	5,175,058,294	5,042,736,317	5,495,755,528	69,362,236,296	100.00%

ATLANTIC CITY ELECTRIC COMPANY
Computation of NJ Tax Factors
As of April 1, 2021

Line No.	Description	Statutory Tax Rate
1	BPU Assessment	0.269%
2	NJ Income Tax Rate	9.000%
3	Federal Income Tax Rate	21.00%

Line No.	Description	Computation	Total Tax Factor	Income Tax Factor
4	BPU Assessment	line 1	0.2690%	0.0000%
5	NJ Income Tax Factor	(100%-line 1) x line 2	8.9758%	9.0000%
6	Federal Income Tax Factor	(100% - (line 4 + line 5)) x line 3	19.0586%	19.1100%
7	Composite Tax Factor	line 4 + line 5 + line 6	28.3034%	28.1100%
8	Complement of Composite Tax Factor	100% - (line 4 + line 5 + line 6)	71.6966%	71.8900%

As of April 1, 2021

Line No.	Description	Statutory Tax Rate
1	BPU Assessment	0.269%
2	NJ Income Tax Rate	9.000%
3	Federal Income Tax Rate	21.00%

Line No.	Description	Computation	Total Tax Factor	Income Tax Factor
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5	NJ Income Tax Factor	(100%-line 1) x line 2	8.9758%	9.0000%
6	Federal Income Tax Factor	(100% - (line 4 + line 5)) x line 3	19.0586%	19.1100%
7	Composite Tax Factor	line 4 + line 5 + line 6	28.3034%	28.1100%
8	Complement of Composite Tax Factor	100% - (line 4 + line 5 + line 6)	71.6966%	71.8900%

ATLANTIC CITY ELECTRIC COMPANY

RGGI Recovery Charge

Transition Renewable Energy Certificate (TREC) Solar Program

New Jersey Deferral Calculation Interest Rates

(1)	(2)		
<u>Date</u>	Rate on 1st of Current Month 2yr. constant <u>maturity Treasury</u>	<u>+ 60 bp</u>	<u>Interest Rate</u>
Sep-20	0.13%	0.60%	0.73%
Oct-20	0.14%	0.60%	0.74%
Nov-20	0.16%	0.60%	0.76%
Dec-20	0.17%	0.60%	0.77%
Jan-21	0.11%	0.60%	0.71%
Feb-21	0.11%	0.60%	0.71%
Mar-21	0.13%	0.60%	0.73%
Apr-21	0.17%	0.60%	0.77%
May-21	0.16%	0.60%	0.76%

In the Matter of the Combined and Consolidated Application of Atlantic City Electric Company to Adjust the Level of Its "Rider RGGI" Rate Associated With Its Legacy Solar Renewable Energy Certificate ("SREC I") Financing Program, Its Successor Solar Renewable Energy Certificate ("SREC II") Financing Program, and Its Solar Transition Incentive Program (2021)
BPU Docket No. ER21070980

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