



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 1<sup>st</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

ENERGY

IN THE MATTER OF THE PETITION OF	)	ORDER APPROVING A
ROCKLAND ELECTRIC COMPANY FOR	)	MODIFIED ZERO EMISSION
APPROVAL OF A ZERO EMISSION CERTIFICATE	)	CERTIFICATE RECOVERY
RECOVERY CHARGE	)	CHARGE TARIFF
	)	
	)	DOCKET NO. EO22100632

**Parties of Record:**

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

BY THE BOARD:

**BACKGROUND**

On May 23, 2018, Governor Phil Murphy signed into law L. 2018, c. 16 (N.J.S.A. 48:3-87.3 to -87.7) (“Act”). The Act required the New Jersey Board of Public Utilities (“Board”) to implement a Zero Emission Certificate (“ZEC”) program within specified timelines. N.J.S.A. 48:3-87.3 to -87.5. Under the Act, the Board may approve certain eligible nuclear energy generators to receive ZECs, which New Jersey’s electric distribution companies (“EDCs”) would be required to purchase.<sup>1</sup> N.J.S.A. 48:3-87.5(b)(2); N.J.S.A. 48:3-87.5(i). The Act also provided that the Board shall order the full recovery of EDCs’ costs associated with purchased ZECs via a non-bypassable charge imposed on each EDC’s retail distribution customers. N.J.S.A. 48:3-87.5(j)(1).

The Act further directed each EDC to file with the Board, within 150 days of the Act’s enactment and no later than October 22, 2018, a tariff to recover a charge of \$0.004 per kilowatt-hour (“kWh”). N.J.S.A. 48:3-87.5(j). The Act identified this charge as the emissions avoidance benefits associated with the continued operation of a selected nuclear power plant. Ibid. Within 60 days of the filing of each EDC tariff, and upon public notice, opportunity for comment, and a public hearing, the Act required the Board to approve the appropriate tariffs. Id. In the Act, the EDCs were also directed to return excess monies in each EDC’s separate, interest-bearing account to its retail distribution customers at the end of each energy year. Id.

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<sup>1</sup> The EDCs are Atlantic City Electric Company, Jersey Central Power and Light Company, Public Service Electric and Gas Company, Rockland Electric Company (“RECO” or “Company”) and Butler Electric (“Butler”). Butler is regulated to the extent it serves customers outside of its municipal borders.

By Order dated November 19, 2018, the Board accepted RECO's tariff filings and directed that the tariff not be implemented unless and until the Board issued a final order authorizing the implementation of the ZEC program.<sup>2</sup> Subsequently, by Order dated April 18, 2019, the Board directed the EDCs to submit final tariffs to become effective on April 18, 2019.<sup>3</sup> The Board further directed the EDCs to calculate interest on their collections at their respective short-term debt rates in their respective collection accounts allowed under the Act.

By Board Orders dated July 10, 2019 and May 20, 2020, the Board directed the EDCs to submit relevant data to the Board for review on a yearly basis.<sup>4</sup>

By Order dated December 16, 2020, the Board approved RECO's request to revise its ZEC Reconciliation Charge rate, a component of the approved ZEC Recovery Charge ("ZECRC") tariff, to (\$0.000153) per kWh, excluding New Jersey Sales and Use Tax ("SUT") for an overall ZECRC rate of \$0.004102 per kWh, including SUT.<sup>5</sup> By Order dated April 6, 2022, the Board approved RECO's request to revise its ZEC Recovery Charge to \$0.004010 including SUT.<sup>6</sup>

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<sup>2</sup> In re the Implementation of L. 2018, C. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants, AND In re the Petition of Rockland Electric Company for Approval of a Zero Emission Certificate Recovery Charge, BPU Docket Nos. EO18080899 and EO18091005, Order dated November 19, 2018.

<sup>3</sup> In re the Implementation of L. 2018, C. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants; Application for Zero Emission Certificates of Salem 1 Nuclear Power Plant; Application for Zero Emission Certificates of Salem 2 Nuclear Power Plant; Application for Zero Emission Certificates of Hope Creek Nuclear Power Plant, BPU Docket Nos. EO18121338, EO18121339, and EO18121337, Order dated April 18, 2019.

<sup>4</sup> In re the Implementation of L. 2018, C. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants; Application for Zero Emission Certificates of Salem 1 Nuclear Power Plant; Application for Zero Emission Certificates of Salem 2 Nuclear Power Plant; Application for Zero Emission Certificates of Hope Creek Nuclear Power Plant, BPU Docket Nos. EO18080899, EO18121338, EO18121339, and EO18121337, Order Determining the Forward Steps in the ZEC Program and Currently Approved Applications, Order dated July 10, 2019 (mandating yearly compliance filings in July); see also In re the Implementation of L. 2018, C. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants; Application for Zero Emission Certificates of Salem 1 Nuclear Power Plant; Application for Zero Emission Certificates of Salem 2 Nuclear Power Plant; Application for Zero Emission Certificates of Hope Creek Nuclear Power Plant, Order Finalizing the Forward Steps in the ZEC Program and Modifications to the Application, Order dated May 20, 2020 (confirming, in part, yearly filing requirements).

<sup>5</sup> In re the Implementation of L. 2018, C. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants, AND In re the Petition of Rockland Electric Company for Approval of a Zero Emission Certificate Recovery Charge, BPU Docket Nos. EO18080899 AND EO18091005, Order dated December 16, 2020.

<sup>6</sup> In re the Implementation of L. 2018, C. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants, AND In re the Petition of Rockland Electric Company for Approval of a Zero Emission Certificate Recovery Charge, BPU Docket Nos. EO18080899 and EO21101188, Order dated April 6, 2022.

### **October 2022 Petition**

On October 20, 2022, RECO filed a petition with the Board seeking to refund the excess ZEC collections and corresponding interest related to Energy Year 2022 (“Petition”). The Company also proposed to refund the balance for Reconciliation for Energy Year 2021.

In the Petition, the Company proposed to refund the excess ZECRC collection and corresponding interest over a 12-month period, commencing January 1, 2023, through the previously established Return of Excess Collections Credit Rate, a component of the approved ZECRC and currently set at a credit of \$0.000239 per kWh (excluding SUT). The newly proposed RECCR is a credit of \$0.000058 per kWh (excluding SUT). The Company indicated that it would monitor the ZECRC excess collection balance and proposed to file with the Board, as it approaches zero and at least 30 before making the change effective, a petition to set the RECCR to zero. According to RECO, any excess balance remaining at that point will be included in the Company’s next RECCR filing.

In the Petition, RECO indicated that the total over-recovery to be returned to customers for Energy Year 2022 is \$45,222. This includes interest calculated on the Energy Year 2022 period at the Company’s short-term debt rate.

Through discovery, the Company provided updated schedules with actuals through November 2022 that reflected an updated calculated ZECRC rate of \$0.004198 per kWh including SUT.

After notice in newspapers of general circulation within the Company’s service territory, virtual public hearings were held on January 12, 2023 at 4:30 p.m. and 5:30 p.m.<sup>7</sup> No members of the public attended the hearing. Additionally, no written comments were received by the Board.

On January 13, 2023, the New Jersey Division of Rate Counsel (“Rate Counsel”) filed a letter with the Board in this matter. In its letter, Rate Counsel stated that it does not object to RECO’s request to refund the excess of the 2022 Energy Year ZEC collection and the remaining balance associated with Energy Year 2021 to its customers over a 12-month period. In addition, Rate Counsel stated that it did not disagree with the calculations in support of the originally filed ZEC Reconciliation Charge credit rate of \$0.0058 per kWh (excluding SUT), or the updated revised ZEC Reconciliation Charge credit rate of \$0.0063 per kWh (excluding SUT).

### **DISCUSSION AND FINDINGS**

The Board reviewed the full record in this matter and, as such, **HEREBY APPROVES** RECO’s proposed RECCR and tariff. The Board **FURTHER APPROVES** a revised total RECO ZECRC rate of \$0.004198, including SUT, for service rendered on and after February 1, 2023 until changed by further Order by the Board. As a result, a residential customer using approximately 650 kWh per month will see an increase of approximately \$0.13 in their monthly bill.

Further, the Board declines, at this time, to issue a decision on RECO’s proposal to file with the Board, no later than 30 days prior to effecting the change, to set the RECCR to zero and include any excess balance remaining in their next filing. As such, the Board **HEREBY DENIES** this proposal and **HEREBY DIRECTS** RECO to collaborate with the other EDCs, Board Staff and Rate Counsel to consider the proposal in the next ZECRC filings.

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<sup>7</sup> Due to the COVID-19 Pandemic, the public hearings were held virtually.


The Board **HEREBY DIRECTS** RECO to file revised tariffs prior to January 31, 2023.

The Company's costs will remain subject to audit by the Board. This Order shall not preclude or prohibit the Board from taking further action relating to any such audit.

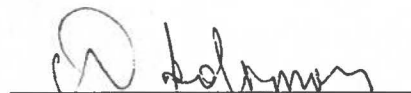
This Order shall be effective on January 25, 2023.

DATED: January 25, 2023

BOARD OF PUBLIC UTILITIES  
BY:

  
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JOSEPH L. FIORDALISO  
PRESIDENT

  
\_\_\_\_\_  
MARYANNA HOLDEN  
COMMISSIONER

  
\_\_\_\_\_  
DIANNE SOLOMON  
COMMISSIONER

  
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ROBERT M. GORDON  
COMMISSIONER

  
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DR. ZENON CHRISTODOULOU  
COMMISSIONER

ATTEST:

  
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CARMEN D. DIAZ  
ACTING SECRETARY

I HEREBY CERTIFY that the within  
document is a true copy of the original  
in the files of the Board of Public Utilities.

IN THE MATTER OF THE PETITION OF ROCKLAND ELECTRIC COMPANY FOR APPROVAL OF A ZERO  
EMISSION CERTIFICATE RECOVERY CHARGE

DOCKET NO. EO22100632

SERVICE LIST

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