



Agenda Date: 5/24/23  
Agenda Item: 2E

**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 JERSEY )  
CENTRAL POWER AND LIGHT COMPANY )  
REQUESTING APPROVAL OF A TARIFF )  
AMENDMENT TO ADD BASIC GENERATION )  
SERVICE (BGS) TIME-OF-USE RATES FOR )  
ELIGIBLE RESIDENTIAL ELECTRIC VEHICLE )  
CUSTOMERS PURSUANT TO N.J.A.C. 14:1-5.11 )  
AND N.J.A.C. 14:3-1.3 ) DOCKET NO. ER23040212

**Parties of Record:**

**James A. Meehan, Esq.**, on behalf of Jersey Central Power and Light Company  
**Brian O. Lipman, Esq.**, Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On April 10, 2023, Jersey Central Power and Light Company (“JCP&L” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board”) requesting approval of a tariff modification to add a Basic Generation Service (“BGS”) Electric Vehicle (“EV”) residential Time-of-Use (“TOU”) rate option and the associated cost recovery (“Petition”). By this Decision and Order, the Board considers the requests provided in the Petition.

**PROCEDURAL HISTORY**

On June 8, 2022, the Board issued an Order in JCP&L’s EV Program filing.<sup>1</sup> In the June 2022 Order, the Board approved a stipulation which included a new tariff offering, Rider EV, which would be applicable to all JCP&L distribution customer rate classes. This change was implemented July 1, 2022.

On November 9, 2022, the Board issued an Order in its annual BGS proceeding approving, with modifications, a joint proposal filed by Atlantic City Electric Company, JCP&L, Rockland Electric Company, and Public Service Electric and Gas Company (collectively, “EDCs”) regarding the

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<sup>1</sup> In re the Petition of Jersey Central Power & Light Company for Approval of an Electric Vehicle Program and an Associated Cost Recovery Mechanism, BPU Docket No. EO21030630, Order dated June 8, 2022 (“June 2022 Order”).

procurement of the EDCs' electricity requirements beginning June 1, 2023.<sup>2</sup> In the November 2022 Order, the Board noted the distribution side of residential EV charging was addressed in some of the EDCs' EV proceedings. The Board indicated that it believed a BGS TOU rate could be created and ordered the EDCs to create a similar solution on the residential supply side to take effect June 1, 2023.

In compliance with the November 2022 Order, JCP&L filed the Petition with a proposed effective date of June 1, 2023. In the Petition, JCP&L proposed to modify its Rider EV by adding a Residential BGS EV TOU Credit option in addition to the bill credit provided to eligible customers under the Company's Rider EV Electric Vehicle Off-Peak Credit. Customers participating in the Rider EV Electric Vehicle Charger Off-Peak Credit would automatically qualify for the added rate option. Qualifying customers would receive a credit of \$0.02 per kWh for Net Off-Peak kWh Usage at their smart charger. The Company also proposed amendments to its current tariff to add Residential Time of Day ("RT") rate schedule as one of the applicable rate schedules allowing qualified customers the opportunity to receive a bill credit by charging their EV during off-peak hours. JCP&L also proposed language regarding net metering customers under this Rider that the net-off peak kWh usage shall not be greater than the customers' metered and billed kWh during any billing month.

JCP&L requested that all costs associated with implementing the revised tariff flow through the Company's quarterly reconciliation charge filing, which the Company claimed was consistent with the Board's Order issued in the 2021 BGS proceeding.<sup>3</sup> Such costs include, but are not limited to, the cost of the credits to customers, and the implementation costs for upgrading the JCP&L systems.

## **COMMENTS**

### **Rate Counsel's Comments**

On May 8, 2023, the New Jersey Division of Rate Counsel ("Rate Counsel") filed comments in opposition to the Company's proposal to recover all costs related to TOU rates via the BGS Reconciliation Charge filing, arguing that doing so is inappropriate, unfounded and not reasonable. Rate Counsel urged the Board to collect data and thoroughly review the effect of those rates after one (1) year.<sup>4</sup>

According to Rate Counsel, the BGS Reconciliation Charge is not the appropriate mechanism for recovery of TOU implementation costs, which are incremental in nature, subject to change as the rate is implemented, and have not been reviewed or approved by the Board.<sup>5</sup> Rate Counsel noted that JCP&L did not provide support for its estimate of the costs associated with implementing the rate and that the costs vary across the EDCs requiring a greater level of scrutiny than what is

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<sup>2</sup> In re the Provision of Basic Generation Service (BGS) For the Period Beginning June 1, 2023, BPU Docket No. ER22030127, Order dated November 9, 2022 ("November 2022 Order").

<sup>3</sup> In re the Provision of Basic Generation Service (BGS) for the Period Beginning June 1, 2021, BPU Docket No. ER20030190, Order dated November 18, 2020 ("November 2020 Order").

<sup>4</sup> In re the Petition of Jersey Central Power and Light Company Requesting Approval of a Tariff Amendment to Add Basic Generation Service (BGS) Time-of-Use Rates for Eligible Residential Electric Vehicle Customers Pursuant to N.J.A.C. 14:1-5.11 and N.J.A.C. 14:3-1.3, BPU Docket No. ER23040212, Comments filed on behalf of Rate Counsel, May 8, 2023 ("Rate Counsel Comments") at 1.

<sup>5</sup> Id. at 2.

normally provided through a reconciliation process.<sup>6</sup> Rate Counsel acknowledged that the November 2020 Order contemplated a reconciliation process to true-up certain costs related to the BGS rate but it could not have contemplated the information technology and other upgrade costs necessitated by the November 2022 Order issued two (2) years later.<sup>7</sup> Rate Counsel stated that incorporation of these costs into a reconciliation mechanism does not provide stakeholders or the Board sufficient opportunity for review to ensure these costs are just and reasonable.<sup>8</sup>

### JCP&L's Reply

On May 12, 2023, JCP&L submitted reply comments in response to Rate Counsel.<sup>9</sup> JCP&L reiterated its request that all costs associated with the revised tariff proposed in the Petition flow through JCP&L's quarterly BGS Reconciliation Charge filing.<sup>10</sup> JCP&L disagreed with Rate Counsel's argument that the BGS Reconciliation Charge is not the appropriate mechanism to recover these costs.<sup>11</sup> JCP&L stated that it will incur costs related to the new BGS component and that JCP&L is proposing to recover its actual expense, not estimated expense.<sup>12</sup> JCP&L stated that the BGS process already has a cost recovery mechanism that recovers the Company's cost to implement the BGS process and administer BGS rates: the BGS Reconciliation Charge. JCP&L noted the addition of a BGS TOU Rate is the addition of an additional rate to be implemented and administered under the BGS process, and as a result, the Company's costs associated with administering a BGS TOU rate is appropriate to be recovered through the established BGS recovery mechanism. JCP&L further disagreed with Rate Counsel's conclusion that recovery through the BGS Reconciliation Charge prevents or circumvents review of the Company's costs as sufficient due process is in place for review.<sup>13</sup>

### DISCUSSION AND FINDINGS

After reviewing the Petition, Rate Counsel Comments, and JCP&L Reply Comments, the Board agrees with Rate Counsel that, absent an appropriate opportunity to review the reasonableness of the Company's costs related to the implementation of the approved tariff modifications, recovery of those costs should not be included in JCP&L's BGS reconciliation charge filings. The Board also notes that the Company's assertion that the proposal is consistent with the November 2020 Order is not supported. The November 2020 Order does not address EV TOU rate implementation costs or any specific rate proposal. In fact, the EV TOU rate issue was not raised until the 2022 BGS proceeding.<sup>14</sup>

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<sup>6</sup> Ibid.

<sup>7</sup> Id. at 3 (citing November 2020 Order at 5).

<sup>8</sup> Ibid.

<sup>9</sup> In re the Petition of Jersey Central Power and Light Company Requesting Approval of a Tariff Amendment to Add Basic Generation Service (BGS) Time-of-Use Rates for Eligible Residential Electric Vehicle Customers Pursuant to N.J.A.C. 14:1-5.11 and N.J.A.C. 14:3-1.3, BPU Docket No. ER23040212, Reply Comments filed on behalf of JCP&L, May 12, 2023 ("JCP&L Reply Comments").

<sup>10</sup> JCP&L Reply Comments at 1.

<sup>11</sup> Id. at 1-2.

<sup>12</sup> Id. at 2.

<sup>13</sup> Ibid.

<sup>14</sup> In re the Provisional of Basic Generation Service (BGS) for the Period Beginning June 1, 2022, BPU Docket No. ER21030631, Order dated November 17, 2021.

Accordingly, to provide an opportunity for a comprehensive review of the reasonableness of JCP&L's cost recovery proposal, the Board **HEREBY DENIES** JCP&L's cost recovery proposal provided in the Petition. The Board **HEREBY AUTHORIZES** JCP&L to defer the costs associated with implementing the BGS EV TOU rate option until fully implemented, and at such time, the Board **HEREBY DIRECTS** JCP&L to file a petition to recover the deferred costs which may include a proposal to recover the costs through the BGS Reconciliation Charge filings.

As such, the Board **HEREBY DIRECTS** the Company to remove the following language from the proposed tariff, "COST RECOVERY: All incremental costs incurred for implementation and payment of the BGS EV TOU Credit will be included in the Company's BGS Reconciliation Charge per kWh." The Board **HEREBY APPROVES** JCP&L's proposed tariff, subject to the removal of the language provided above.

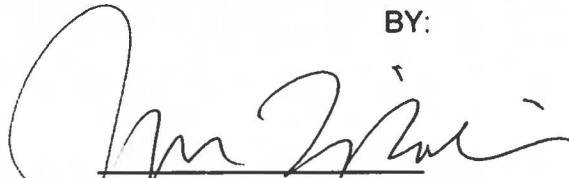
The Board **FURTHER DIRECTS** JCP&L to file revised tariff sheets consistent with the Board's Order by May 31, 2023.

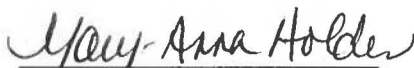
The Company's costs remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions deemed to be appropriate as a result of any such audit.

This Order shall be effective on May 24, 2023.

DATED: May 24, 2023

BOARD OF PUBLIC UTILITIES  
BY:

  
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PRESIDENT

  
MARY-ANNA HOLDEN  
COMMISSIONER

  
DIANNE SOLOMON  
COMMISSIONER

  
DR. ZENON CHRISTODOULOU  
COMMISSIONER

ATTEST:   
SHERRI L. GOLDEN  
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 JERSEY CENTRAL POWER AND LIGHT COMPANY  
REQUESTING APPROVAL OF A TARIFF AMENDMENT TO ADD BASIC GENERATION SERVICE  
(BGS) TIME-OF-USE RATES FOR ELIGIBLE RESIDENTIAL ELECTRIC VEHICLE CUSTOMERS  
PURSUANT TO N.J.A.C. 14:1-5.11 AND N.J.A.C. 14:3-1.3

BPU DOCKET NO. ER23040212

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