



Agenda Date: 8/14/24

Agenda Item: 9A

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 DETERMINATION OF)	ORDER DETERMINING ZEC
THE ZERO EMISSION CERTIFICATE PRICE FOR)	PRICE FOR EY 2024
ENERGY YEAR 2024)	
)	DOCKET NO. EO24070540

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Philip J. Passanante, Esq., Atlantic City Electric Company
Margaret Comes, Esq., Rockland Electric Company
Tori Giesler, Esq., Jersey Central Power & Light Company
Matthew Weissman, Esq., Associate General Regulatory Counsel, Public Service Electric and Gas Company
Robert H. Oostdyk, Jr., Esq., Law Offices of Murphy McKeon, P.C., on behalf of Butler Power and Light Company
Carrie H. Allen, Esq., Constellation Energy Generation, LLC
Aaron I. Karp, Esq., PSEG Nuclear LLC

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities ("Board") considers the Zero Emission Certificate ("ZEC") price for energy year ("EY") 2024, June 1, 2023 through May 31, 2024.

I. BACKGROUND AND PROCEDURAL HISTORY

A ZEC represents the fuel diversity, air quality, and other environmental attributes of one (1) megawatt-hour ("MWh") of electricity generated by a nuclear power plant ("Unit") selected by the Board to participate in the ZEC Program. As mandated by the ZEC Act, N.J.S.A. 48:3-87.3 *et seq.* ("Act"), every three (3) years the Board conducts a proceeding to certify which, if any, Units are eligible to participate in the ZEC Program and receive ZECs in accordance with the Act.¹ Once the Board certifies one or more Units are eligible to receive ZECs, New Jersey's four (4) investor-owned electric distribution companies ("EDCs") and the municipal electric distribution company Butler Electric Utility ("Butler"), subsequently purchase ZECs from the Units, and the

¹ See N.J.S.A. 48:3-87.5(e) (criteria to determine eligibility), and N.J.S.A. 48:3-87.5(d) (no obligation to certify any Unit as eligible).

proceeds help the Units prevent premature retirement.² The EDCs and Butler collect monies to purchase ZECs via a non-bypassable ZEC charge imposed on their customers.

On August 29, 2018, the Board initiated the ZEC Program.³ On July 10, 2019, in compliance with the Act, the Board established next, or “forward,” requirements to implement the ZEC program (“Forward Requirements”).⁴ The Forward Requirements direct Board Staff (“Staff”) to present an updated ZEC price in August of each year for the Units eligible to receive ZECs. Additionally, each EDC and Butler must provide the Board with data showing 1) the amount of monies held in the ZEC account, including interest collected, established by N.J.S.A. 48:3-87.5(j)(1), and 2) the total number of MWh of electricity distributed (i.e., sold) by the EDCs and Butler in the prior EY. Finally, the Forward Requirements mandate that the Unit owners must annually, by July 30, provide the Board a certificated accounting of the total MWh of electricity generated in the prior EY (“Filing Requirements”).

On April 27, 2021, the Board found that the Salem 1, Salem 2, and Hope Creek Units were eligible to receive ZECs for the second eligibility period, June 1, 2022 through May 31, 2025 (“ZEC 2”).⁵ In addition, the Board found that no reduction in the ZEC charge was warranted for the ZEC 2 period.

II. FORWARD REQUIREMENT: DETERMINING THE ZEC PRICE

Pursuant to the Act, the Board must “determine the price of a ZEC each [EY] by dividing the total number of dollars held by electric public utilities” in separate interest-bearing accounts established by the greater of “40 percent of the total number of megawatt-hours of electricity distributed by the electric public utilities in the State in the prior [EY], or the number of megawatt-hours of electricity generated in the prior [EY] by the selected nuclear power plants.”

On August 16, 2023, the Board determined that the EY 2023 ZEC price was \$9.88 per MWh.⁶

² The EDCs are Atlantic City Electric Company, Jersey Central Power & Light Company, Public Service Electric and Gas Company, and Rockland Electric Company.

³ In re the Implementation of L. 2018, c. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants, BPU Docket No. EO18080899, Order dated August 29, 2018.

⁴ 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 Determining The Forward Steps in the ZEC Program and Currently Approved Applications, BPU Docket Nos. EO18080899, EO18121338, EO18121339, and EO18121337, Order dated July 10, 2019 (“July 2019 Order”).

⁵ In re the Application of PSEG Nuclear, LLC and Exelon Generation Company, LLC for the Zero Emission Certificate Program – Salem Unit 1, BPU Docket No. ER20080557, Order dated April 27, 2021; In re the Application of PSEG Nuclear, LLC and Exelon Generation Company, LLC for the Zero Emission Certificate Program – Salem Unit 2, BPU Docket No. ER20080558, Order dated April 27, 2021; and In re the Application of PSEG Nuclear, LLC for the Zero Emission Certificate Program – Hope Creek, BPU Docket No. ER20080559, Order dated April 27, 2021.

⁶ In re the Determination of the Zero Emission Certificate Price for Energy Year 2023, BPU Docket No. EO23080551, Order dated August 16, 2023.

Pursuant to the July 2019 Order, upon receipt of the Filing Requirements, the Board determines the ZEC price using the following calculation, where all values are for the prior EY:

$$\text{Price of ZEC} = \frac{A (\$)}{\text{The greater of: } B \text{ (MWh) or } C \text{ (MWh)}}$$

Where, A = Total amount in utility ZEC accounts, in dollars
B = 40% of all electricity distributed (i.e., sold) by utilities, in MWh
C = Total electricity generated by selected nuclear Units, in MWh

III. ZEC PRICE FOR ENERGY YEAR 2024

Upon receipt of the EY 2024 Filing Requirements, and using the formula provided above, the number of megawatt-hours generated by the Units was greater than 40 percent (40%) of electricity distributed by the EDCs and Butler. Staff calculated the EY 2024 ZEC price to be \$9.95 per megawatt-hour based upon the following:

ZEC PRICE FOR ENERGY YEAR 2024

	EY 2024
ZEC Rate, \$/kWh	0.004
Retail Sales Volumes (MWh)	
PSE&G	39,745,215
JCP&L	19,453,529
ACE	8,473,248
RECO	1,515,954
Butler	100,043
Total Retail Sales Volume	69,287,989
Utility Revenues in ZEC Accounts (\$)	
PSE&G	158,980,859
JCP&L	77,814,115
ACE	33,892,992
RECO	6,063,818
Butler	400,171
Total Utility Revenues (\$) (A)	277,151,956
Nuclear Generation (MWh)	
Hope Creek	8,642,438
Salem 1	9,105,178
Salem 2	10,098,352
Total Actual EY2024 Generation (MWh) (C)	27,845,968
40% of New Jersey Retail Sales (MWh) (B)	27,715,196
ZEC Price (\$/MWh) (A / greater of B or C)	\$ 9.95

IV. DISCUSSION AND FINDINGS

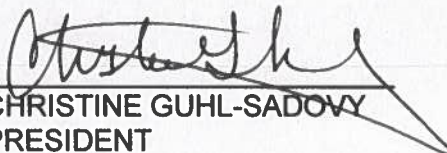
As set forth above, for EY 2024, the number of megawatt-hours generated by the nuclear units was greater than forty percent (40%) of electricity distributed by the EDCs and Butler. Accordingly, to determine the ZEC price, the Board must divide the total dollar amount held by all electric public utilities in their separate accounts, established pursuant to the Act, by the number of megawatt-hours generated by the nuclear units in the prior EY.

As such, after consideration of the Act, the July 2019 Order, and the Filing Requirements, the Board **HEREBY FINDS** that the EY 2024 ZEC calculation and ZEC price determination are accurate and in compliance with the law. Accordingly, the Board **HEREBY ORDERS** that the ZEC price for EY 2024 be set at \$9.95 per MWh.

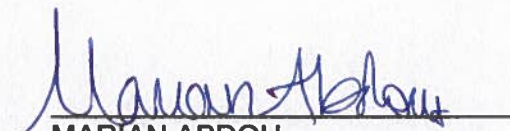
This Order shall be effective on August 21, 2024.

DATED: August 14, 2024

BOARD OF PUBLIC UTILITIES
BY:



CHRISTINE GUHL-SADOVY
PRESIDENT


DR. ZENON CHRISTODOULOU
COMMISSIONER


MARIAN ABDOU
COMMISSIONER


MICHAEL BANGE
COMMISSIONER

ATTEST:


DAWN A. GRAY
EXECUTIVE ASSISTANT

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 DETERMINATION OF THE ZERO EMISSION CERTIFICATE PRICE FOR ENERGY YEAR 2024

BPU DOCKET NO. EO24070540

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