



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF PUBLIC) ORDER
SERVICE ELECTRIC AND GAS COMPANY FOR)
APPROVAL OF A ZERO EMISSION CERTIFICATE)
RECOVERY CHARGE (2025)) DOCKET NO. ER25100550

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Aaron I. Karp, Esq., on behalf of Public Service Electric and Gas Company

BY THE BOARD:

By this Decision and Order, the New Jersey Board of Public Utilities (“Board”) considers a petition filed by Public Service Electric and Gas Company (“PSE&G” or “Company”) seeking approval to modify the Refund of Excess Collections Credit Rate (“RECCR”) component of its Zero Emission Certificate (“ZEC”) Recovery Charge (“ZECRC”) from \$0.000000 per kilowatt-hour (“kWh”) to (\$0.000132) kWh.¹

BACKGROUND

On May 23, 2018, Governor Phil Murphy signed into law N.J.S.A. 48:3-87.3 to -87.7, which required the Board to implement a ZEC program ("Act"). The Act mandates that the Board authorize certain eligible nuclear energy generators to receive ZECs, and that ZECs are purchased by New Jersey's electric distribution companies ("EDCs").² The Act also requires the Board to order the full recovery of EDCs' costs associated with purchased ZECs via a non-bypassable charge imposed on each EDC's retail distribution customers.³

¹ All rates quoted herein exclude Sales and Use Tax unless otherwise stated.

² The EDCs are Atlantic City Electric Company, Jersey Central Power & Light Company, PSE&G, Rockland Electric Company and Butler Electric (“Butler”). Butler is regulated to the extent it serves customers outside of its municipal borders.

³ N.J.S.A. 48:3-87.5(j)(1).

The Act directs each EDC to file with the Board a tariff to recover a ZEC charge of \$0.004 per kWh from its retail distribution customers (“ZEC Charge”). The ZEC Charge constitutes the emissions avoidance benefits associated with the continued operation of a selected nuclear power plant. The ZEC Charge is one (1) component of PSE&G’s ZECRC.

The Act also directs the EDCs to return excess monies in each EDC’s separate, interest-bearing account to its retail distribution customers at the end of each Energy Year (“EY”). This constitutes the second component of PSE&G’s ZECRC: the RECCR.

On February 14, 2024, the Board ordered the EDCs to cease collecting the ZEC Charge on June 1, 2025, in connection with the closure of the third eligibility period of the ZEC program.⁴ On February 28, 2025, the Company submitted a compliance filing with the Board, setting the ZEC Charge rate to zero (0).⁵

September 2025 Petition

On September 30, 2025, PSE&G filed the Petition seeking authorization to modify the RECCR component of its ZECRC.

According to the Petition, the cumulative over-collected balance from EY 2021 through the end of EY 2025 is \$5,585,871. With no additional activity expected in the ZECRC over the next three (3) years, the Company proposed to decrease the RECCR Rate from \$0.000000 kWh to (\$0.000132) kWh effective January 1, 2026, through December 31, 2026. Additionally, in the Petition, the Company proposed that any remaining balance, including interest, owed to customers be transferred through PSE&G Energy Efficiency and Renewable Energy Program component of the Societal Benefits Charge (“SBC”).

Because the Petition requested a decrease to the RECCR rate, public hearings were neither required nor held. Additionally, no written comments were received by the Board.

New Jersey Division of Rate Counsel Comments

On December 5, 2025, the New Jersey Division of Rate Counsel (“Rate Counsel”) filed a letter with the Board. Rate Counsel disagreed with PSE&G’s proposal to continue its RECCR. Rate Counsel noted that the 2024 New Jersey Energy Master Plan (“EMP”) identified affordability and equity as key components in energy policy.⁶ In recognition of this EMP policy component, Rate Counsel recommended that, pursuant to the February 2024 Order ordering PSE&G to stop collecting under the ZECRC clause, the Board should order PSE&G to apply the remaining cumulative over-collected balance due to customers into the Universal Service Fund (“USF”) component of its SBC for the benefit of PSE&G’s low- and moderate-income customers. Rate Counsel also recommended that, since the Board did not grant any ZEC for the third eligibility period thereby ceasing the collection of ZEC Charge and rendering the clause inoperative, the Board should order PSE&G to remove ZECRC from the Company’s tariffs.

⁴ In re the Third Eligibility Period for the Zero Emission Certificate Program Pursuant to N.J.S.A. 48:3-87.3 to 87.7, BPU Docket No. EO23080548, Order Closing the Third Eligibility Period of the Zero Emission Certificate Program, Order dated February 14, 2024 (“February 2024 Order”).

⁵ In re the Third Eligibility Period for the Zero Emission Certificate Program Pursuant to N.J.S.A. 48:3-87.3 to 87.7, BPU Docket No. EO23080548, PSE&G Compliance Filing (February 28, 2025).

⁶ 2024 Energy Master Plan, pp. 45 & 46; released November 25, 2025.

DISCUSSION AND FINDINGS

The Board reviewed the record in this matter, including the Petition and Rate Counsel's comments. As no additional activity is expended in the ZECRC over the next three (3) years, the Board HEREBY DIRECTS PSE&G to eliminate its ZECRC tariff, including the RECCR for service rendered on and after February 1, 2026. As a result, customers would see no change to their monthly bills.

Further, the Board agrees with Rate Counsel's recommendation that PSE&G should apply the remaining cumulative over-collected balance due to customers into the USF component of its SBC. Applying the over-collected balance to the USF component will reduce the future required collections from customers for the USF component of the SBC. Accordingly, the Board HEREBY ORDERS PSE&G to transfer the reconciled accumulated over recovered balance to be refunded to customers, including interest to the USF component of its SBC. In the next annual USF filing, PSE&G shall provide supporting documentation that these over recovered funds were transferred.

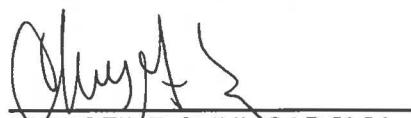
The Board HEREBY DIRECTS PSE&G to file revised tariffs prior to February 1, 2026.

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 Board Order shall be effective on January 21, 2026.

DATED: January 14, 2026

BOARD OF PUBLIC UTILITIES
BY:



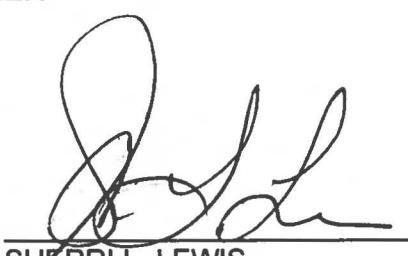
CHRISTINE GUHL-SADOVY
PRESIDENT



MICHAEL BANGE
COMMISSIONER



DR. ZENON CHRISTODOULOU
COMMISSIONER



ATTEST:
SHERRI L. LEWIS
BOARD 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 PUBLIC SERVICE ELECTRIC AND GAS COMPANY FOR APPROVAL OF
A ZERO EMISSION CERTIFICATE RECOVERY CHARGE (2025)

DOCKET NO. ER25100550

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