

**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 ATLANTIC CITY ELECTRIC COMPANY FOR APPROVAL OF A CHANGE TO ITS ZERO EMISSION CERTIFICATE RECOVERY CHARGE (2025) ) ORDER DOCKET NO. ER25100553

**Parties of Record:**

**Neil A. Hlawatsch, Esq.**, Atlantic City Electric Company  
**Brian O. Lipman, Esq., Director**, New Jersey Division of Rate Counsel

**BY THE BOARD:**

By this Decision and Order, the New Jersey Board of Public Utilities ("Board") considers a petition filed by Atlantic City Electric Company ("ACE" or "Company") constituting the annual reconciliation of its Zero Emission Certificate ("ZEC") Recovery Charge ("ZECRC") ("Petition").

**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 the ZECs are purchased by New Jersey's electric distribution companies ("EDCs").<sup>1</sup> 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.<sup>2</sup>

Pursuant to N.J.S.A. 48:3-87.5(j)(1), each EDC is directed to file with the Board a tariff to recover a ZEC charge of \$0.004 per kilowatt-hour ("kWh") from its retail distribution customers ("ZEC Charge").<sup>3</sup> 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 the ZECRC.

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

<sup>2</sup> N.J.S.A. 48:3-87.5(j)(1).

<sup>3</sup> All rates quoted herein exclude Sales and Use Tax unless otherwise stated.

N.J.S.A. 48:3-87.5(j)(1) further 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 ACE's ZECRC: the ZEC Reconciliation Charge.

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.<sup>4</sup>

### **October 2025 Petition**

On October 1, 2025, ACE filed the Petition seeking authorization to maintain the ZEC Reconciliation Charge component of its ZECRC at \$0.0000 kWh and to transfer the cumulative balance due to customers to the uncollectible component of ACE's Societal Benefits Charge ("SBC").

According to the Petition, the cumulative over-collected balance from EY 2022 through the end of EY 2025 is \$1,375,122. With no additional activity expected in the ZECRC over the next three (3) years, the Company proposed to maintain the ZEC Reconciliation Charge Rate at \$0.0000 and transfer the reconciled accumulated over recovered balance to be refunded to customers, including interest through the uncollectible component of the SBC that will be filed on or about February 1, 2026. The Company argued that this is the most efficient method of effectuating the credit to customers, including any accumulated interest, through the 2026 SBC reconciliation petition to prevent a future potential under-collection.

Because the Petition requested no change to the ZEC Reconciliation Charge 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 ACE's proposal to maintain its ZEC Reconciliation Charge at zero, and to refund its cumulative over-collected balance at the end of EY 2025 of \$1,375,122 to its customers through the uncollectible component of the SBC. Rate Counsel noted that the 2024 New Jersey Energy Master Plan ("EMP") identified affordability and equity as key components in energy policy.<sup>5</sup> In recognition of this EMP policy component, Rate Counsel recommended that, pursuant to the February 2024 Order ordering ACE to stop collecting under the ZECRC clause, the Board should order ACE 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 ACE'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 ACE to remove ZECRC from the Company's tariff.

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<sup>4</sup> 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 - Order Closing the Third Eligibility Period of the Zero Emission Certificate Program, BPU Docket No. EO23080548, Order dated February 14, 2024 ("February 2024 Order").

<sup>5</sup> 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 noted by ACE, no additional activity is expected in the ZECRC over the next three (3) years. Accordingly, the Board **HEREBY DIRECTS** ACE to eliminate its ZECRC tariff, including the ZEC Reconciliation Charge 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 ACE should apply the remaining cumulative over-collected balance due to customers to 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** ACE 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, ACE shall provide supporting documentation that these over recovered funds were transferred.

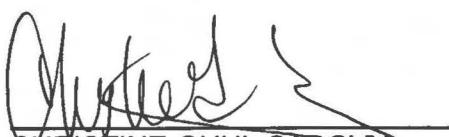
The Board **HEREBY DIRECTS** ACE to file revised tariffs prior to February 1, 2026.

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 Order shall be effective on January 21, 2026.

DATED: January 14, 2026

BOARD OF PUBLIC UTILITIES  
BY:



CHRISTINE GUHL-SADOVY  
PRESIDENT

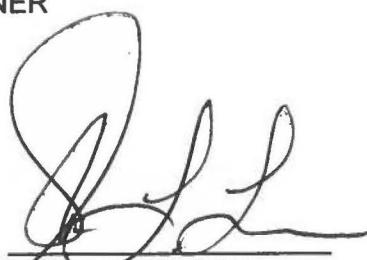


DR. ZENON CHRISTODOULOU  
COMMISSIONER



MICHAEL BANGE  
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.

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A CHANGE TO ITS ZERO EMISSION CERTIFICATE RECOVERY CHARGE (2025)

DOCKET NO. ER25100553

SERVICE LIST

**Board of Public Utilities**

44 South Clinton Avenue, 1<sup>st</sup> Floor  
Post Office Box 350  
Trenton, NJ 08625-0350

Sherri L. Lewis, Secretary  
[board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

Stacy Peterson, Deputy Executive Director  
[stacy.peterson@bpu.nj.gov](mailto:stacy.peterson@bpu.nj.gov)

Office of General Counsel

Ava-Marie Madeam, General Counsel  
[avamarie.madeam@bpu.nj.gov](mailto:avamarie.madeam@bpu.nj.gov)

Gary Colin Emerle, Deputy General Counsel  
[colin.emerle@bpu.nj.gov](mailto:colin.emerle@bpu.nj.gov)

Elspeth Faiman Hans, Deputy General Counsel  
[elspeth.hans@bpu.nj.gov](mailto:elspeth.hans@bpu.nj.gov)

Steven Athanassopoulos, Regulatory Officer  
[steven.athanassopoulos@bpu.nj.gov](mailto:steven.athanassopoulos@bpu.nj.gov)

**New Jersey Division of Law**

NJ Department of Law and Public Safety  
Richard J. Hughes Justice Complex  
Public Utilities Section  
25 Market Street, P.O. Box 112  
Trenton, NJ 08625

Pamela Owen, ASC, DAG  
[pamela.owen@law.njoag.gov](mailto:pamela.owen@law.njoag.gov)

Matko Ilic, DAG  
[matko.ilic@law.njoag.gov](mailto:matko.ilic@law.njoag.gov)

Steven Chaplar, DAG  
[steven.chaplar@law.njoag.gov](mailto:steven.chaplar@law.njoag.gov)

**New Jersey Division of Rate Counsel**

140 East Front Street, 4<sup>th</sup> Floor  
Post Office Box 003  
Trenton, NJ 08625

Brian O. Lipman, Esq., Director  
[blipman@rpa.nj.gov](mailto:blipman@rpa.nj.gov)

T. David Wand, Esq., Managing Attorney  
[dwand@rpa.nj.gov](mailto:dwand@rpa.nj.gov)

Bethany Rocque-Romaine, Esq.  
[bromaine@rpa.nj.gov](mailto:bromaine@rpa.nj.gov)

Debora Layugan  
[dlayugan@rpa.nj.gov](mailto:dlayugan@rpa.nj.gov)

Annette Cardec  
[acardec@rpa.nj.gov](mailto:acardec@rpa.nj.gov)

**Atlantic City Electric Company**

500 N. Wakefield Drive  
PO Box 6066  
Newark, DE 19714-6066

Neil Hlawatsch, Esq.  
[neil.hlawatsch@pepcoholdings.com](mailto:neil.hlawatsch@pepcoholdings.com)

Lihong Meng, Senior Rate Analyst  
[lihong.meng@pepcoholdings.com](mailto:lihong.meng@pepcoholdings.com)