



Agenda Date: 1/28/26

Agenda Item: 2A

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

ENERGY

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| IN THE MATTER OF THE PETITION OF JERSEY |) ORDER |
| CENTRAL POWER AND LIGHT COMPANY FOR |) |
| APPROVAL OF A ZERO EMISSION CERTIFICATE |) DOCKET NO. ER24120005 |
| RECOVERY CHARGE |) |
| |) |
| IN THE MATTER OF THE PETITION OF JERSEY |) |
| CENTRAL POWER AND LIGHT COMPANY FOR |) DOCKET NO. ER25100556 |
| APPROVAL OF A ZERO EMISSION CERTIFICATE |) |
| RECOVERY CHARGE |) |

Parties of Record:

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

BY THE BOARD:

By this Decision and Order, the New Jersey Board of Public Utilities ("Board") considers two (2) petitions filed by Jersey Central Power & Light Company ("JCP&L" or "Company") regarding its Zero Emission Certificate ("ZEC") Reconciliation Charge ("ZECRC").

BACKGROUND

On May 23, 2018, Governor Phil Murphy signed into law N.J.S.A. 48:3-87.3 to -87.7 ("Act"), which required the Board to implement a ZEC program. 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").¹ 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.²

¹ The EDCs are Atlantic City Electric Company, JCP&L, 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.

² 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 kilowatt-hour ("kWh"), from its retail distribution customers ("ZEC Charge").³ 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 JCP&L's ZEC Recovery Charge.

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 JCP&L's ZEC Recovery Charge: the ZECRC.

By Order dated 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 By Order dated June 20, 2024, the Board approved JCP&L's current ZECRC.⁵

December 2024 Petition

On December 20, 2024, JCP&L filed a petition seeking authority to maintain its ZECRC rate at \$0.0000 per kWh ("2024 Petition").

By the 2024 Petition, JCP&L estimated that the net balance for EY 2024 resulted in an under-collection totaling \$2,548,442. However, JCP&L did not propose to modify its ZECRC.

On March 5, 2025, the New Jersey Division of Rate Counsel ("Rate Counsel") filed comments on the 2024 Petition indicating that it did not object to JCP&L's requests in the 2024 Petition.

October 2025 Petition

On October 1, 2025, JCP&L filed a petition proposing to set its ZECRC rate to a credit of \$0.000210 per kWh ("2025 Petition").

By the 2025 Petition, JCP&L proposed to return to the customers \$4.127 million over a twelve (12) month period, which includes \$4.084 million of Rider ZEC revenues received after Rider ZEC was set to \$0.0000 on June 1, 2025, \$80,355 from the net over recovery of costs related to EY 2025 and prior EYs, and \$42,536 of interest on the combined net over recovery from customers for the forecast period September 1, 2025 to December 31, 2025.

The Company requested that the proposed ZECRC rate become effective January 1, 2026 and expire when the remaining balance is near zero, which is anticipated to occur around twelve (12) months after the proposed rate becomes effective, but not until the Company provides notice to the Board one (1) month prior to its elimination. After the elimination, JCP&L proposed that any remaining ZECRC related balance with interest or ZECRC revenues received by JCP&L will be applied to the deferred balance of Rider Non-Utility Generation Charge.

³ All rates quoted herein exclude Sales and Use Tax unless otherwise stated.

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

⁵ In re the Petition of Jersey Central Power & Light Company for Approval of a Zero Emission Certificate Recovery Charge, BPU Docket No. EO24010054, Order dated June 27, 2024.

New Jersey Division of Rate Counsel Comments

On December 11, 2025, Rate Counsel filed comments on the 2025 Petition. Rate Counsel disagreed with JCP&L's proposal to reset the ZECRC and to continue the ZEC Charge to allow its remaining balance and billing adjustments to run down to zero. 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 JCP&L to stop collecting under the ZEC Recovery Charge, the Board should order JCP&L 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 JCP&L'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 the ZEC Charge and rendering the clause inoperative, the Board should order JCP&L to remove the ZEC Recovery Charge from the Company's tariff.

DISCUSSION AND FINDINGS

The Board reviewed the record in these matters including the 2024 Petition, the 2025 Petition, and Rate Counsel Comments. The Board **NOTES** that no additional activity is expected in ZEC Recovery Charge over the next three (3) years. Accordingly, the Board **HEREBY DIRECTS** JCP&L to eliminate its ZEC Recovery Charge tariff, including the ZECRC for services rendered on and after February 15, 2026. As a result, customers would see no change to their monthly bills.

Further, the Board agrees with Rate Counsel's recommendation that JCP&L 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** JCP&L 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, JCP&L shall provide supporting documentation that these over recovered funds were transferred.

The Board **HEREBY DIRECTS** JCP&L to file revised tariffs prior to February 15, 2026.

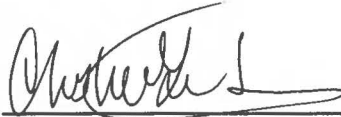
The Company's costs will remain subject to audit by the Board. This Order shall not preclude or prohibit the Board from taking further action relating to any such audit.

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

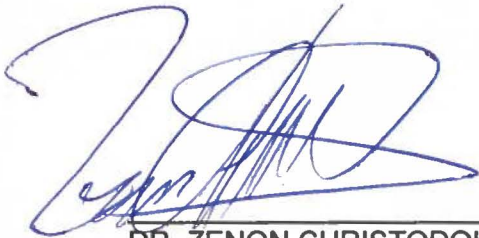
The effective date of this Order is February 4, 2026.

DATED: January 28, 2026

BOARD OF PUBLIC UTILITIES
BY:



CHRISTINE GUHL-SADOVY
PRESIDENT

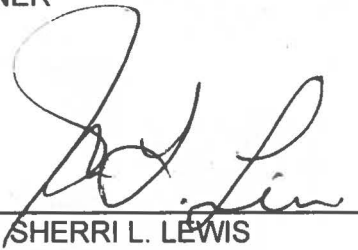


DR. ZENON CHRISTODOULOU
COMMISSIONER



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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OF A ZERO EMISSION CERTIFICATE RECOVERY CHARGE

BPU DOCKET NO. ER24120005

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BPU DOCKET NO. ER25100556

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