



Agenda Date: 8/16/23  
Agenda Item: 9B

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
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[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

ENERGY

IN THE MATTER OF THE DETERMINATION OF )  
THE ZERO EMISSION CERTIFICATE PRICE FOR )  
ENERGY YEAR 2023 )  
)  
) ORDER DETERMINING ZEC  
PRICE FOR ENERGY YEAR 2023  
  
) DOCKET NO. EO23080551

**Parties of Record:**

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**Margaret Comes, Esq.**, Rockland Electric Company  
**Tori Giesler, Esq.**, on behalf of Jersey Central Power & Light Company  
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**Robert H. Oostdyk, Jr., Esq.**, for 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”) determines the Zero Emission Certificate (“ZEC”) price for energy year 2023, beginning June 1, 2022 through May 31, 2023.

**I. BACKGROUND AND PROCEDURAL HISTORY**

A ZEC represents the fuel diversity, air quality, and other environmental attributes of one 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.<sup>1</sup> 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 proceeds help the Units prevent premature retirement. The EDCs collect monies to purchase

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<sup>1</sup> 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).

ZECs via a non-bypassable ZEC charge imposed on the customers of the State's electric distribution utilities.

On August 29, 2018, the Board initiated the ZEC Program.<sup>2</sup> On July 10, 2019, in compliance with the Act, the Board established certain requirements for EDCs and entities receiving ZECs.<sup>3</sup> In the July 2019 Order, the Board directed Staff to present an updated ZEC price in August of each year that selected units are eligible to receive ZECs. The Board further directed the EDCs to 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 in the prior energy year. Finally, the Board directed the owners of the selected nuclear Units to provide the Board an accounting of the total MWh of electricity generated by the Units in the prior energy year, collectively ("Filing Requirements"). The Board instructed that "[t]his information must be certified and provided to the Board annually by July 30."

On April 27, 2021, the Board found the Salem 1, Salem 2, and Hope Creek nuclear plants to be eligible to receive ZECs for the second eligibility period, June 1, 2022 through May 31, 2025 ("ZEC 2").<sup>4</sup> 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 energy year by dividing the total number of dollars held by electric public utilities" in the separate interest-bearing accounts established under the Act 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 energy year, or the number of megawatt-hours of electricity generated in the prior energy year by the selected nuclear power plants."

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<sup>2</sup> 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.

<sup>3</sup> 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").

<sup>4</sup> 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 ("April 2021 Orders").

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 energy year:

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

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 2023**

Upon receipt of the Filing Requirements in July 2023, Staff calculated the energy year 2023 ZEC price to be \$9.88 per megawatt-hour based upon the following:

	<b>Energy Year 23</b>
<b>ZEC Rate, \$/kWh</b>	0.004
<b>Retail Sales Volumes (MWh)</b>	
PSE&G	40,150,452
JCP&L	19,910,241
ACE	8,624,905
RECO	1,504,806
Butler	105,545
<b>Total Retail Sales Volume</b>	<b>70,295,949</b>
<b>Utility Revenues in ZEC accounts(\$)</b>	
PSE&G	160,601,810
JCP&L	79,640,964
ACE	34,499,620
RECO	6,019,222
Butler	422,180
<b>Total Utility Revenues (\$) (A)</b>	<b>281,183,796</b>
<b>Nuclear Generation (MWh)</b>	
Hope Creek	9,003,576
Salem 1	10,247,516
Salem 2	9,196,553
<b>Total Actual EY2023 Generation (MWh) (C)</b>	<b>28,447,645</b>
<b>40% of New Jersey Retail Sales (MWh) (B)</b>	<b>28,118,380</b>
<b>ZEC Price (\$/MWh) (A / (greater of B or C))</b>	<b>9.88</b>

**IV. DISCUSSION AND FINDINGS**

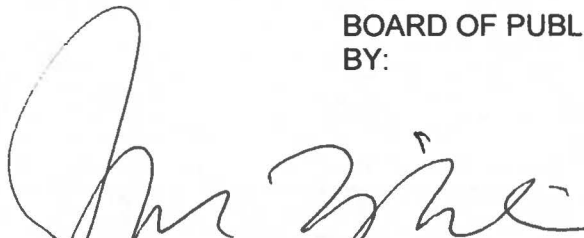
As set forth above, for energy year 2023, the number of megawatt-hours generated by the nuclear units was greater than 40 percent (40%) of electricity distributed by the EDCs. Accordingly, to determine the ZEC price, the Board must divide the total dollar amount held by all electric public utilities in their separate accounts, established pursuant to the ZEC Act, by the number of megawatt-hours generated by the nuclear units in the prior energy year. For energy year 2023, this calculation yields a ZEC price of \$9.88 per MWh.

The Board **HEREBY ACCEPTS** Staff's ZEC price for energy year 2023. The Board **HEREBY FINDS** that Staff's ZEC price calculations are consistent with the Act and the Board's direction in the July 2019 Order. Accordingly, the Board **HEREBY ORDERS** that the ZEC price for energy year 2023 be set at \$9.88 per MWh.

This Order shall be effective on August 23, 2023.

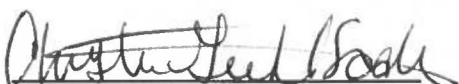
DATED: August 16, 2023

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PRESIDENT

  
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COMMISSIONER

  
DR. ZENON CHRISTODOULOU  
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CHRISTINE GUHL-SADOVY  
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MARIAN ABDU  
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 DETERMINATION OF THE ZERO EMISSION CERTIFICATE PRICE FOR ENERGY YEAR  
2023

BPU DOCKET NO. EO23080551

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