



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 ATLANTIC CITY)
ELECTRIC COMPANY ESTABLISHING A COST)
RECOVERY MECHANISM THROUGH THE)
GREENHOUSE GAS INITIATIVE RECOVERY CHARGE)
("RIDER RGGI") FOR THE COMMUNITY SOLAR)
ENERGY PILOT ("CSEP") PROGRAM AND OTHER)
ASSOCIATED TARIFF REVISIONS)

ORDER APPROVING
STIPULATION
DOCKET NO. ER21060871

Parties of Record:

Cynthia L.M. Holland, Esq., Atlantic City Electric Company
Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:¹

On June 1, 2021, pursuant to N.J.A.C. 14:1-5.11, Atlantic City Electric ("ACE" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board") seeking approval of the Company's proposed cost recovery mechanism for the Community Solar Energy Pilot ("CSEP") Program ("Petition"). By this Decision and Order, the Board considers a stipulation of settlement ("Stipulation") executed by ACE, the New Jersey Division of Rate Counsel ("Rate Counsel") and Board Staff ("Staff") (collectively, "Parties"), intended to resolve the requests related to the above matter.

BACKGROUND AND PROCEDURAL HISTORY

On May 23, 2018, the Clean Energy Act, L. 2018, c.17, was signed into law, directing the Board to adopt rules and regulations establishing the Pilot Program.²

On August 29, 2018, the Board approved the Pilot Program Proposed Rules ("Pilot Program Rules"). The Pilot Program Rules were published in the New Jersey Register on October 1, 2018, and were subject to a 60-day public comment period, which closed on November 30, 2018. Additionally, the Board held two (2) public hearings on the Proposed Rules on November 8, 2018.

¹ Commissioner Zenon Christodoulou abstained from voting on this matter.

² N.J.S.A. 48:3-87.11

The Board adopted the Pilot Program Rules on January 17, 2019, with no substantive changes. The adopted Pilot Program Rules were filed with the Office of Administrative Law and published in the New Jersey Register on February 19, 2019.³ The final Pilot Program Rules provide the framework necessary for the development and implementation of community solar in New Jersey.⁴

Community solar provides access to local clean energy for utility customers otherwise unable to place solar generation directly on their own properties. The Pilot Program enables New Jersey electric utility customers to participate in a solar energy project that may be remotely located from their properties and receive a credit on their utility bills. The Board remains committed to ensuring that low-and moderate-income (“LMI”) customers are able to access community solar, and that community solar development is pursued without materially compromising the preservation of open space or protected lands in New Jersey. The Pilot Program will provide the necessary experience and lay the groundwork for the development and implementation of a permanent full-scale Community Solar Energy Program within 36 months, in conformance with the Clean Energy Act.

Since the implementation of the Pilot Program, Staff has received a number of inquiries from stakeholders requesting the Board to clarify the method for determination of the value of the community solar bill credit. N.J.A.C. 14:8-9.7(a) states, “The value of the bill credit shall be set at retail rate, inclusive of supply and delivery charges.” Further, N.J.A.C. 14:8-9.7(b) states: “The calculation of the value of the bill credit shall remain in conformance with retail rate, as determined in (a) above and shall remain in effect for the life of the project, defined as no more than 20 years from the date of commercial operation of the project or the period until the project is decommissioned, whichever comes first.” Finally, N.J.A.C. 14:8-9.7(c) states: “The credit may not be applied to non-bypassable charges.”⁵

On May 15, 2019, the State’s electric distribution companies (“EDCs”) submitted to Staff written proposals regarding the identification of non-bypassable charges, the method of retail rate calculation of the bill credit, and the process for the allocation of bill credits to community solar subscribers.

On August 7, 2019, the Board issued a Corrected Order, whereby it directed the EDCs to calculate the bill credit for reach rate class, set at the Pre-Sales and Use Tax (“SUT”) retail rate, including supply and delivery charges, excluding demand charges and the monthly fixed customer charge, and minus non-bypassable charges.⁶ The Board defined non-bypassable charges, for purposes of the Pilot Program only, as the Societal Benefits Charge, the Market Transition Charge, the Transition Bond Charge, and the Zero Emissions Certificates. Additionally, the Board determined that any future additional charges, or any future modifications to existing charges, will be examined on a case-by-case basis to determine whether they should be considered non-bypassable for purposes of the Pilot Program. The August 2019 Order further stated that the bill

³ 51 N.J.R. 232(a).

⁴ See N.J.A.C. 14:8-9.1 to 9.11.

⁵ The language at N.J.A.C. 14:8-9.7(a) and N.J.A.C. 14:8-9.7(c) as published in the February 19, 2019 New Jersey Register contained two errors, which were corrected in a Notice of Administrative Correction published on May 6, 2019. See 51 N.J.R. 639(b).

⁶ In re the Matter of Community Solar Energy Pilot Program, BPU Docket No. QO18060646, Board Order dated August 7, 2019 (“August 2019 Order”).

credit should be based upon the applicable pre-SUT Basic Generation Service charges at the time the energy output being credited to the subscriber was produced by the community solar facility. Finally, the Board directed the EDC's to apply the bill credit to subscribers' electric utility bills based on their respective rate class, and based upon the percentage of a project's kilowatt-hour ("kWh") output assigned to each subscriber by the project's subscriber organization and reported to the EDCs via the method determined by Board Staff and the EDCs pursuant to N.J.A.C. 14:8-9.7(l).

Petition

In the Petition, the Company sought approval to implement a new component of the Company's Regional Greenhouse Gas Initiative Recovery Charge ("Rider RGGI"), the CSEP Program component, through a surcharge applied equally to all rate schedules with an initial rate of \$0.000000 per kWh as no costs have been incurred to date. The Company requested that during the initial two-year period, the surcharge will recover costs from the previous year, while future filings may include forecasted costs after the initial two-year period as a separate part of the Company's Rider RGGI tariff.

According to the Petition, the future revenue requirement associated with the CSEP Program would include costs associated with: 1) information technology ("IT") investments, 2) rate credits associated with the CSEP Program, and 3) CSEP Program operation and maintenance expenses. Additionally, the Company proposed to defer any over/under recovery of the monthly actual revenue requirements compared to actual revenues.

Following publication of notice in newspapers of general circulation within ACE's service territory and the serving of notice upon affected municipalities and counties within the Company's service area, two (2) telephonic public hearings were held at 4:30 p.m. and 5:30 p.m. on October 14, 2021.⁷ No members of the public attended or filed written comments with the Board.

STIPULATION

Following a review of the Petition, and discovery, the Parties executed the Stipulation, which provides for the following:⁸

1. The Parties agree that the cost recovery mechanism will be a new component of the Rider RGGI surcharge designed on a dollar per kWh basis, applicable equally to all Rate Schedules. The amount of the surcharge will be set annually based upon actual expenditures through annual filings to the Board by the Company, and subject to the review of the Parties and Board approval. The Parties further agree that the revenue requirement is designed to recover the Company's prudent and reasonable Incremental Costs of the CSEP Program and a true-up for any prior period over/under recovery. The Incremental Costs of the CSEP Program are comprised of the following: a) IT costs; b) Rate Credits⁹ associated with the CSEP Program;

⁷ Due to the COVID-19 pandemic, hearings were held telephonically.

⁸ Although summarized in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the finding and conclusion in this Order. Paragraphs are lettered and/or numbered to coincide with the Stipulation.

⁹ This is the aggregate dollar credit that is given to the Community Solar participants, calculated in

and c) the CSEP Program Operations and Maintenance expenses. For the initial two year period, the Parties agree that the surcharge will recover costs from the previous year. This surcharge will be a separate component of the Company's existing Rider RGGI tariff, as stated in the Petition. The capitalization of IT Investment during the pilot program does not provide precedential support of applying this treatment in future/subsequent proceedings, nor does it affect the rights of any Party to take any position it deems appropriate in connection with this issue in future/subsequent proceedings.

2. The Parties agree that the Incremental Costs will be treated as expenses to be recovered on an annual basis.
3. The Parties agree that all Incremental Costs be tracked as a deferred balance (regulatory liability or regulatory asset). Monthly interest will be applied to any over/under recovered deferred balances. The Parties agree the interest shall continue to be calculated at a rate based upon the U.S. Treasury securities at two-year constant maturity as published in the Federal Reserve Statistical Release on the first day of each month (or closet day thereafter on which rates are published), plus 60 basis points. The interest shall not exceed ACE's overall rate of return as authorized by the Board in the Company's most recent base rate case. The interest rate will reset each month, and its calculation will be based on the net of tax beginning and ending average monthly balance. ACE shall continue accruing simple interest with an annual roll-in at the end of each year.
4. The Parties agree, as the Company proposed, that the surcharge will be set to \$0.000000 per kWh for the initial rate period. When the Company makes its annual RGGI Surcharge Filing in 2023, the Company will file for recovery of the Company's incremental CSEP Program costs for the prior calendar year. The surcharge is based upon the CSEP Program expenditures as of the date of the Petition. See Exhibit A to the Stipulation, the Company's revised Rider RGGI tariff.
5. The Parties agree that the CSEP Program is open to customers of all rate classes who subscribe to community solar projects approved by the Board in the Company's service territory. Community solar projects and customer subscribers to those approved projects must meet the full requirements defined in N.J.A.C. 14:8-9.1, et seq., in accordance with N.J.S.A. 48:3-87.11. The Parties agree to Exhibit B to the Stipulation, as the Company's Rider CSEP Tariff describing the service, including the terms and conditions, applicable to the CSEP Program.
6. Taken together, the impact of the recommended tariff adjustments on an average residential customer using approximately 680 kWh per month is no increase to the total monthly bill. Any future bill impacts will be determined in the Company's subsequent annual RGGI Surcharge Filings.

DISCUSSION AND FINDING

accordance with the approved methodology set forth in the August 2019 Order ("the bill credit for each rate class, set at the Pre-SUT retail rate, including supply and delivery charges, excluding demand charges and the monthly fixed customer charge, and minus non-bypassable charges...") and as clarified by Secretary's Letter issued September 18, 2019.

The Board reviewed the record in this proceeding, including the Petition, discovery, and the Stipulation, and **HEREBY FINDS** the Stipulation to be reasonable and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as through fully set forth herein, subject to any terms and conditions set forth in this Order.

Based upon the Stipulation, there is no bill impact to ratepayers at this time since no costs have been incurred by the Company.

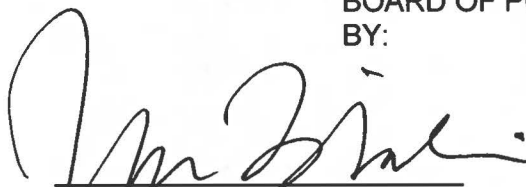
Accordingly, the Board **HEREBY AUTHORIZES** ACE to establish a new component of its Rider RGGI tariff to recover the costs associated with the CSEP Program. The Board **HEREBY ORDERS** ACE to file revised tariff sheets conforming to the terms of the Stipulation prior to August 31, 2022, with an initial rate of \$0.000000 per kWh, effective for service rendered on and after September 1, 2022.

The Company's costs, including those related to the CSEP Program, will remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.


This Board Order shall be effective on August 24, 2022.

DATED: August 17, 2022

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER

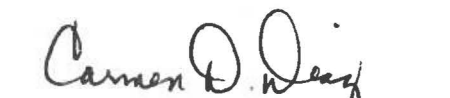


DIANNE SOLOMON
COMMISSIONER

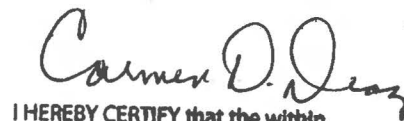


ROBERT M. GORDON
COMMISSIONER

ATTEST:



CARMEN D. DIAZ
ACTING 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 ATLANTIC CITY ELECTRIC COMPANY ESTABLISHING A COST RECOVERY MECHANISM THROUGH THE GREEN HOUSE GAS INITIATIVE RECOVERY CHARGE ("RIDER RGGI") FOR THE COMMUNITY SOLAR ENERGY PILOT ("CSEP") PROGRAM AND OTHER ASSOCIATED TARIFF REVISIONS

DOCKET NO. ER21060871

SERVICE LIST

<p><u>Board of Public Utilities</u> 44 South Clinton Avenue, 1st Floor Post Office Box 350 Trenton, NJ 08625-0350</p> <p>Carmen D. Diaz, Acting Secretary board.secretary@bpu.nj.gov</p> <p>Stacy Peterson, Deputy Executive Director stacy.peterson@bpu.nj.gov</p> <p><u>Counsel's Office</u></p> <p>Heather Weisband, Esq., Senior Counsel heather.weisband@bpu.nj.gov</p> <p><u>Division of Energy & Water</u></p> <p>Mike Kammer, Director mike.kammer@bpu.nj.gov</p> <p><u>Energy</u></p> <p>Paul Lupo, Bureau Chief paul.lupo@bpu.nj.gov</p> <p>William Barkasy william.barkasy@bpu.nj.gov</p> <p><u>ACE</u> 92DC42 500 N. Wakefield Drive P.O. Box 6066 Newark, DE 19714-6066</p> <p>Cynthia L.M. Holland, Esq. Cynthia.holland@exeloncorp.com</p> <p>Susan DeVito Susan.devito@pepcoholdings.com</p> <p>Thomas M. Hahn Thomas.hahn@pepcoholdings.com</p>	<p><u>New Jersey Division of Rate Counsel</u> 140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625-0003</p> <p>Brian O. Lipman, Esq., Director blipman@rpa.nj.gov</p> <p>Maura Caroselli, Esq., Managing Attorney mcaroselli@rpa.nj.gov</p> <p>Sarah Steindel, Esq. ssteindel@rpa.nj.gov</p> <p><u>Rate Counsel Consultant</u></p> <p>Andrea C. Crane, President The Columbia Group, Inc. 2805 East Oakland Park Blvd #401 Ft. Lauderdale, FL 33306 ctcolumbia@aol.com</p> <p><u>New Jersey Division of Law</u> 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</p> <p>Pamela Owen, DAG pamela.owen@law.njoag.gov</p> <p>Daren Eppley, DAG daren.eppley@law.njoag.gov</p> <p>Michael Beck, DAG michael.beck@law.njoag.gov</p> <p>Steven Chaplar, DAG steven.chaplar@law.njoag.gov</p> <p>Brandon Simmons, DAG brandon.simmons@law.njoag.gov</p>
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Heather Hall Heather.hall@pepcoholdings.com	
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August 4, 2022

VIA ELECTRONIC MAIL

carmen.diaz@bpu.nj.gov
board.secretary@bpu.nj.gov

Carmen D. Diaz
Acting Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

RE: In the Matter of the Petition of Atlantic City Electric Company Establishing a Cost Recovery Mechanism Through the Greenhouse Gas Initiative Recovery Charge (“Rider RGGI”) for the Community Solar Energy Pilot (“CSEP”) Program and Other Associated Tariff Revisions
BPU Docket No. ER21060871


Dear Acting Secretary Diaz:

Enclosed herewith for filing is a fully executed Stipulation of Settlement (the “Stipulation”) in connection with the above-referenced matter.

Consistent with the Order issued by the New Jersey Board of Public Utilities (the “Board” or “BPU”) in connection with *In the Matter of the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations*, BPU Docket No. EO20030254, Order dated March 19, 2020, the Stipulation and its attachments are being electronically filed with the Acting Secretary of the Board, the Division of Law, the New Jersey Division of Rate Counsel, and all parties. No paper copies will follow.

Thank you for your cooperation and courtesies. Feel free to contact me with any questions or if I can be of further assistance.

Respectfully submitted,



Cynthia L.M. Holland
An Attorney at Law of the
State of New Jersey

Enclosure
cc: Service List

**IN THE MATTER OF THE PETITION OF
ATLANTIC CITY ELECTRIC COMPANY
ESTABLISHING A COST RECOVERY
MECHANISM THROUGH THE REGIONAL
GREENHOUSE GAS INITIATIVE
RECOVERY CHARGE (“RIDER RGGI”)
FOR THE COMMUNITY SOLAR ENERGY
PILOT (“CSEP”) PROGRAM AND OTHER
ASSOCIATED TARIFF REVISIONS**

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

BPU DOCKET NO. ER21060871

STIPULATION OF SETTLEMENT

APPEARANCES:

Cynthia L.M. Holland, Esq., Assistant General Counsel, on behalf of Petitioner, Atlantic City Electric Company

Brandon C. Simmons and Steven A. Chaplar, Deputy Attorneys General (Matthew J. Platkin, Acting Attorney General of New Jersey), on behalf of the Staff of the New Jersey Board of Public Utilities

Maura Caroselli, Managing Attorney and Sarah H. Steindel, Esq., Assistant Deputy Rate Counsel, on behalf of the New Jersey Division of Rate Counsel (Brian O. Lipman, Esq., Director, Division of Rate Counsel)

This Stipulation of Settlement (“Stipulation”) is hereby made and executed as of the dates indicated below by and among the Petitioner, Atlantic City Electric Company (“ACE” or “Company”), the Staff of the New Jersey Board of Public Utilities (“Staff”), and the New Jersey Division of Rate Counsel (“Rate Counsel”) (collectively, “Parties”). On or about June 1, 2021, the Company filed a certified petition requesting approval to establish a cost recovery mechanism for the Community Solar Energy Pilot (“CSEP”) Program through the Company’s established Regional Greenhouse Gas Initiative Recovery Charge (“Rider RGGI”) and establishing a CSEP Tariff (“Petition”). The Company proposed that the surcharge be set to \$0.000000 per kilowatt-hour (“kWh”) for the initial rate period as no costs were incurred for the CSEP Program to date. The Company proposed to make the tariff changes effective as of October 1, 2021.

PURPOSE OF PETITION AND STIPULATION

The purpose of the Company's Petition and this subsequent Stipulation is for the Parties to establish the Company's cost recovery mechanism and tariff language for the CSEP Program.

BACKGROUND

On May 23, 2018, Governor Philip D. Murphy signed the Clean Energy Act ("CEA")¹ into law which, *inter alia*, required the Board to establish a "Community Solar Energy Pilot Program to permit customers of an electric public utility to participate in a solar energy project that is remotely located from their properties but is within their electric public utility service territory to allow for a credit to the customer's utility bill equal to the electricity generated that is attributed to the customer's participation in the solar energy project." N.J.S.A. 48:3-87.11.a.

The CEA also provides that, "[s]ubject to review by the board, an electric public utility shall be entitled to full and timely cost recovery for all costs incurred in implementation and compliance" with the CSEP Program. N.J.S.A. 48:3-87.11.e.

Pursuant to the CEA, the Board codified CSEP Program rules for the first phase. Those regulations, provide that electric public utilities shall, subject to review and approval by the Board, be entitled to full cost recovery for any incremental costs incurred in the implementation, compliance, and administration of the CSEP Program. N.J.A.C. 14:8-9.3.

Pursuant to N.J.A.C. 14:8-9.7(n), the billing process for the CSEP Program shall be administered by the electric public utilities, who shall apply the community solar bill credit to subscribers' utility bills in proportion to each subscriber's share of the community solar project.

On July 10, 2019, the Board issued an Order in BPU Docket QO18060646 clarifying the method for determination of the value of the community solar bill credit. Specifically, the bill

¹ P.L. 2018, c. 17 § 3(a) and (e)(1). Codified at N.J.S.A 48:3-87.11.

credits would not apply to the following non-bypassable charges: 1) the Societal Benefits Charge (“SBC”), established at N.J.S.A. 48:3-60; 2) the Market Transition Charge (“MTC”), established at N.J.S.A. 48:3-61; 3) the Transition Bond Charge (“TBC”), established at N.J.S.A. 48:3-62; and 4) the Zero Emissions Certificates (“ZEC”), established at N.J.S.A. 48:3-87.5.²

Discussions concerning cost recover for the CSEP Program were held among the electric public utilities, Rate Counsel, and Staff, but no resolution was reached.

On April 7, 2021, Staff presented recommendations for cost recovery, and informally requested that each electric public utility file for same by June 1, 2021. ACE timely filed its petition. On October 14, 2021, the Company held two (2) telephonic public hearings at 4:30 pm and 5:30 pm.³ Representatives from Staff, Rate Counsel, and the Company attended the public hearings. No members of the Public attended, nor were written comments filed with the Board.

Subsequent to ACE’s submission of the Petition, Rate Counsel and Staff propounded, and the Company has responded to, detailed discovery requests.

STIPULATION

The Parties to this Stipulation HEREBY STIPULATE AND AGREE to the following findings, conclusions, and determinations for the purpose of a full, final, and complete resolution of the issues raised in the Petition.

CSEP Program Cost Recovery Mechanism

1. The Parties agree that the cost recovery mechanism will be a new component of the Rider RGGI surcharge designed on a dollar per kWh basis, applicable equally to all Rate Schedules. The amount of the surcharge will be set annually based upon actual expenditures

² Order, *In the Matter of the Community Solar Energy Pilot Program*, BPU Docket No. QO18060646 (July 10, 2019) (“2019 Order”).

³ The public hearings were held telephonically due to the COVID-19 pandemic.

through annual filings to the Board by the Company, and subject to the review of the Parties and Board approval. The Parties further agree that the revenue requirement is designed to recover the Company's prudent and reasonable Incremental Costs of the CSEP Program and a true-up for any prior period over/under recovery. The Incremental Costs of the CSEP Program are comprised of the following: a) information technology ("IT") costs; b) Rate Credits⁴ associated with the CSEP Program; and c) the CSEP Program Operations and Maintenance expenses. For the initial two year period, the Parties agree that the surcharge will recover costs from the previous year. This surcharge will be a separate component of the Company's existing Rider RGGI tariff, as stated in the Petition. The capitalization of IT Investment during the pilot program does not provide precedential support of applying this treatment in future/subsequent proceedings, nor does it affect the rights of any Party to take any position it deems appropriate in connection with this issue in future/subsequent proceedings.

2. The Parties agree that the Incremental Costs will be treated as expenses to be recovered on an annual basis.

3. The Parties agree that all Incremental Costs be tracked as a deferred balance (regulatory liability or regulatory asset). Monthly interest will be applied to any over/under recovered deferred balances. The Parties agree the interest shall continue to be calculated at a rate based upon the U.S. Treasury securities at two-year constant maturity as published in the Federal Reserve Statistical Release on the first day of each month (or closet day thereafter on which rates are published), plus 60 basis points. The interest shall not exceed ACE's overall rate of return as authorized by the Board in the Company's most recent base rate case. The interest rate will reset

⁴ This is the aggregate dollar credit that is given to the Community Solar participants, calculated in accordance with the approved methodology set forth in the 2019 Order ("the bill credit for each rate class, set at the Pre-SUT retail rate, including supply and delivery charges, excluding demand charges and the monthly fixed customer charge, and minus non-bypassable charges . . .") and as clarified by Secretary's Letter issued September 18, 2019.

each month, and its calculation will be based on the net of tax beginning and ending average monthly balance. ACE shall continue accruing simple interest with an annual roll-in at the end of each year.

4. The Parties agree, as the Company proposed, that the surcharge will be set to \$0.000000 per kWh for the initial rate period. When the Company makes its annual RGGI Surcharge Filing in 2023, the Company will file for recovery of the Company's incremental CSEP Program costs for the prior calendar year. The surcharge is based upon the CSEP Program expenditures as of the date of the Petition. See Exhibit A, the Company's revised Rider RGGI tariff.

CSEP Program Description

5. The Parties agree that the CSEP Program is open to customers of all rate classes who subscribe to community solar projects approved by the Board in the Company's service territory. Community solar projects and customer subscribers to those approved projects must meet the full requirements defined in N.J.A.C. 14:8-9.1, *et seq.*, in accordance with N.J.S.A. 48:3-87.11. The parties agree to **Exhibit B**, as the Company's Rider CSEP Tariff describing the service, including the terms and conditions, applicable to the CSEP Program.

IMPACT SUMMARY

6. Taken together, the impact of the recommended tariff adjustments on an average residential customer using approximately 680 kWh per month is no increase to the total monthly bill. Any future bill impacts will be determined in the Company's subsequent annual RGGI Surcharge Filings.

CONCLUSION

7. The Parties agree that this Stipulation contains mutual balancing and interdependent clauses and is intended to be accepted and approved in its entirety. In the event any particular provision of this Stipulation is not accepted and approved in its entirety by the Board, or is modified by a court of competent jurisdiction, then any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right, upon written notice, to be provided to all other Parties within 10 days after receipt of any such adverse decision, to litigate all issues addressed herein to a conclusion. More particularly, in the event this Stipulation is not adopted in its entirety by the Board in an appropriate Order or is modified by a court of competent jurisdiction, then any Party hereto is free, upon the timely provision of such written notice, to pursue its then available legal remedies with respect to all issues addressed in this Stipulation, as though this Stipulation had not been signed.

8. The Parties agree that this Stipulation shall be binding on them for all purposes herein.

9. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and, except as otherwise expressly provided for herein:

- a. by executing this Stipulation, no Party waives any rights it possesses under any prior Stipulation, except where the terms of this Stipulation supersede any such prior Stipulation;
- b. the contents of this Stipulation shall not in any way be considered, cited or used by any of the Parties as an indication of any Party's position on any related or other issue litigated in any other proceeding or forum, except to enforce the terms of this Stipulation; and

- c. except as expressly provided herein, the Parties shall not be deemed to have approved, agreed to or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein in total or by specific item.


10. This Stipulation may be executed in any number of counterparts, each of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Parties.

WHEREFORE, the Parties hereto have duly executed and do respectfully submit this Stipulation to the Board and recommend that the Board issue a Final Decision and Order adopting and approving this Stipulation in its entirety in accordance with the terms hereof.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

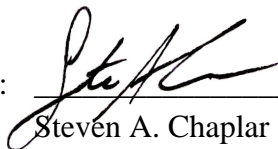
ATLANTIC CITY ELECTRIC COMPANY

Dated: August 4, 2022

By: 
Cynthia L.M. Holland
Assistant General Counsel

MATTHEW J. PLATKIN
ACTING ATTORNEY GENERAL OF NEW
JERSEY
Attorney for the Staff of the New Jersey Board of
Public Utilities

Dated: August 4, 2022

By: 
Steven A. Chaplar
Deputy Attorney General

BRIAN O. LIPMAN, ESQ.
DIRECTOR
DIVISION OF RATE COUNSEL

Dated: August 4, 2022

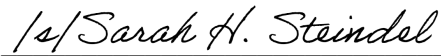
By: 
Sarah H. Steindel, Esq.
Assistant Deputy Rate Counsel

Exhibit A

Clean

ATLANTIC CITY ELECTRIC COMPANY
BPU NJ No. 11 Electric Service - Section IV Revised Sheet Replaces Revised Sheet No. 64

RIDER RGGI

Regional Greenhouse Gas Initiative Recovery Charge

A. Applicability

This Rider is applicable to Rate Schedules RS, MGS Secondary, MGS-SEVC, MGS Primary, AGS Secondary, AGS Primary, TGS, DDC, SPL and CSL. Amounts billed to customers shall include a charge to reflect regional greenhouse gas initiative program costs. Except where indicated otherwise, Rider "RGGI" will be determined annually based on projections of program costs (including an adjustment for variances between budgeted and actual prior year expenditures) and forecasts of kilowatt hour sales. The charge (in dollars per kilowatt hour) will be computed by dividing the total annual amount to be recovered for by forecasted retail sales (in kilowatt hours).

RGGI Programs

Solar Renewable Energy Certificate (SREC) (\$/kWh)	\$0.000189
This charge component is intended to recover net costs associated with the Solar Renewable Energy Certificate Program.	

Solar Renewable Energy Certificate (SREC II) (\$/kWh)	\$0.000000
This charge component is intended to recover net costs associated with the Solar Renewable Energy Certificate II Program.	

Transition Renewable Energy Certificate (TREC) (\$/kWh)	\$0.000988
This charge component is intended to recover net costs associated with the Solar Transition Incentive Program.	

Energy Efficiency Surcharge (EE) (\$/kWh)	\$0.000411
This charge component is intended to recover the costs associated with the Energy Efficiency Program.	

Successor Solar Incentive Program (SuSI) (\$/kWh)	\$0.000379
This charge component is intended to recover the costs associated with the Successor Solar Incentive Program.	

Community Solar Energy Program (CSEP) (\$/kWh)	\$0.000000
This charge component is intended to recover net costs associated with the Community Solar Energy Program.	

Total Rider RGGI Surcharge (\$/kWh)	\$0.001967
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Date of Issue:

Effective Date:

Issued by:

Exhibit A

Redlined

ATLANTIC CITY ELECTRIC COMPANY
BPU NJ No. 11 Electric Service - Section IV ~~Twenty-Fifth~~ Revised Sheet Replaces ~~Twenty-Fourth~~ Revised
Sheet No. 64

RIDER RGGI

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This Rider is applicable to Rate Schedules RS, MGS Secondary, MGS-SEVC, MGS Primary, AGS Secondary, AGS Primary, TGS, DDC, SPL and CSL. Amounts billed to customers shall include a charge to reflect regional greenhouse gas initiative program costs. Except where indicated otherwise, Rider "RGGI" will be determined annually based on projections of program costs (including an adjustment for variances between budgeted and actual prior year expenditures) and forecasts of kilowatt hour sales. The charge (in dollars per kilowatt hour) will be computed by dividing the total annual amount to be recovered for by forecasted retail sales (in kilowatt hours).

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<u>Community Solar Energy Program (CSEP) (\$/kWh)</u>	<u>\$0.000000</u>
<u>This charge component is intended to recover net costs associated with the Community Solar Energy Program.</u>	

Total Rider RGGI Surcharge (\$/kWh)	\$0.001967
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Date of Issue: ~~June 30, 2022~~

Effective Date: ~~July 1, 2022~~

~~Issued by: J. Tyler Anthony, President and Chief Executive Officer — Atlantic City Electric Company~~
~~Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the~~
~~BPU Docket Nos. ER21121236~~ Issued by:

Exhibit B

RIDER CSEP Community Solar Energy Pilot Program

General

The Community Solar Energy Pilot Program is open to customers of all rate classes who subscribe to community solar projects that are approved by the BPU. Community solar projects and customer subscribers to those approved projects must meet the following minimum requirements, and the full requirements defined in N.J.A.C. 14:8-9.1, et seq., in accordance with N.J.S.A. 48:3-87.11. The program provides for the participation of customers of the Company in all rate classes as subscribers to BPU approved community solar projects that are located within the service territory of the Company, but may be remotely located from the subscriber's electric service address, and receive a credit on their utility bills in accordance with their participation share. Existing solar projects may not apply to requalify as a Community Solar Energy Pilot Program project. The Pilot Program shall run for a period of no more than 36 months, divided into Program Year 1 (PY1), Program Year 2 (PY2), and Program Year 3 (PY3). PY1 shall begin February 19, 2019, and last until December 31, 2019. Subsequent program years shall begin on January 1 and last for the full calendar year. For each of the three program years, BPU staff shall initiate an annual application process. The annual capacity limit in the Company's service territory each year shall be calculated by the BPU by multiplying the Company's percentage of in-State retail electric sales by the total statewide capacity approved for that year. In PY1, this represented approximately 9.6 MW based upon the Company's 12.8% share of the 75 MW available statewide capacity. Any unallocated capacity at the end of a program year may be reallocated to subsequent program years. At least 40 percent of the annual capacity limit shall be allocated to low and moderate income community (LMI) solar projects. The application and criteria for selection of community solar projects is managed by the BPU. Only projects that are selected by the BPU will be eligible to participate in the Pilot Program. The capacity limit for individual community solar pilot projects is set at a maximum of 5 MWs per project, measured as the sum of the nameplate capacity in DC rating of all PV panels comprising the community solar facility. The minimum number of participating subscribers for each community solar project shall be set at 10 subscribers and the maximum number of participating subscribers for each community solar project shall be set at 250 subscribers per one MW installed capacity (prorated to project capacity). Each community solar project must be equipped with at least one utility grade meter to facilitate the recording of solar generation underlying the bill credit process.

Selected Definitions (N.J.A.C. 14:8-9.2)

"Community solar pilot project," "community solar project," or "project" refers to a community solar project approved by the BPU for participation in the Pilot Program, including, but not limited to, the community solar facility, project participants, and subscribers.

"Community solar subscriber organization" or "subscriber organization" means the entity, duly registered with the BPU that works to acquire original subscribers for the community solar project and/or acquires replacement subscribers over the lifetime of the community solar project and/or manages subscriptions for a community solar project. The community solar subscriber organization may or may not be, in whole, in part, or not at all, organized by the community solar developer, community solar owner, or community solar operator.

"Community solar subscriber" or "subscriber" refers to any person or entity who participates in a community solar project by means of the purchase or payment for a portion of the capacity and/or energy produced by a community solar facility. One electric meter denotes one subscriber.

"Community solar subscription" or "subscription" refers to an agreement to participate in a community solar project, by which the subscriber receives a bill credit for a portion of the community solar capacity and/or energy produced by a community solar facility. A subscription may be measured as capacity in kW and/or energy in kWh, ownership of a panel or panels in a community solar facility, ownership of a share of a community solar project, or a fixed and/or variable monthly payment to the project operator.

Interconnection Application & Requirements

Community solar pilot projects shall comply with all current and future applicable interconnection requirements, as set forth in N.J.A.C. 14:8-9.9(a) and N.J.A.C. 14:8-5 and shall be processed by the Company following normal interconnection procedures.

Although projects are not required to have submitted an interconnection agreement or have an executed interconnection agreement prior to applying to the Pilot Program with the BPU, projects may file an interconnection application with the Company prior to being selected by the BPU at their own risk and cost. Additionally, only projects that have been approved by the BPU to participate in the Pilot Program are eligible to allocate community solar bill credits.

Subscription Requirements

Community solar pilot project subscriptions shall not exceed 100 percent of the subscriber's historic annual usage, calculated over the past 12 months, available at the time of the application. In cases where a 12-month history is not available, the community solar subscriber organization shall estimate, in a commercially reasonable manner, a subscriber's load based on available history. No single subscriber shall subscribe to more than 40 percent of a community solar project's total annual net energy. Subscriptions are portable, provided that the subscriber remains within the original Company service territory as the community solar pilot project to which they are subscribed.

Appropriate notice of the change in residence and/or location must be provided to the Company, no later than 30 days after the effective date of the change in residence and/or location. In cases of relocation, subscribers are entitled to one revision per move to their subscription size to account for a change in average consumption.

Subscriptions may be sold or transferred back to the project owner or community solar subscriber organization by subscribers as specified in their subscription agreements. Subscribers may not sell or transfer a subscription to another party other than the project owner or community solar subscriber organization. A subscriber may not participate in more than one community solar project. It is the responsibility of the subscriber organization to verify that their subscribers are not already subscribed to another community solar project. The Company shall establish, in coordination with BPU staff, a standardized process by which community solar subscriber organizations can submit on a monthly basis the list of subscribers for a community solar project,

and their respective participation shares. The Company shall apply the community solar bill credit to subscribers' utility bills in proportion to each subscriber's participation share, in conformance with the bill credit calculation method described below.

Community Solar Bill Credits

Participating subscriber customers will receive a dollar-based bill credit for their subscribed percentage of the monthly kilowatt-hour output of the community solar project in proportion to the subscriber's share of the community solar project as indicated on the most recent list received from the subscriber organization. The monthly dollar credit on the subscriber's bill will be the equivalent of their subscription percentage of the community solar project monthly kilowatt-hour generation amount applied to all kilowatt-hour charges on the subscriber's bill, excluding all fixed and non-by-passable charges and SUT. The non-bypassable charges are the fixed monthly customer charge, all kW demand charges (if applicable), the SBC charge, the NGC charge, the TBC charge, the MTC-Tax charge and the ZEC charge. The value of the bill credit shall be set at the retail rate for their respective service classification. The BGS bill credit for CIEP eligible customers will be set at the average prior calendar year hourly Locational Marginal Price (LMP) of energy in the ACE PJM zone. Customers served by a third-party supplier will have their credit based upon the BGS rate. The subscriber's bill credit will be used to offset the subscriber's total bill up to the amount of actual metered consumption. The calculation of the value of the bill credit shall remain as described above and shall remain in effect for the life of the project, defined as no more than 20 years from the date of commercial operation of the project or the period until the project is decommissioned, whichever comes first, in addition to any modifications subsequently ordered by the BPU. The community solar bill credit will be specifically identified as the community solar bill credit in a separate section on the subscribers' utility bills.

An annualized period shall be established for each subscriber. The annualized period shall begin on the day a subscriber first earns a community solar bill credit based on the delivery of energy, and continues for a period of 12 months, until the subscription ends, or until the subscriber's Company account is closed, whichever occurs earlier. The Company may sync up the monthly billing period of subscribers and projects, by modifying, with due notice given, the monthly billing period for subscribers upon their first month of participation in the community solar project. Excess credits above the level of the metered monthly consumption shall carry over from monthly billing period to monthly billing period, with the balance of credits accumulating until the earlier of either the end of the annualized period, the closure of the subscriber's Company account, or the end of the subscriber's community solar subscription. At the end of the annualized period and/or when a subscriber's Company account is closed and/or at the end of the subscriber's community solar subscription, any excess net bill credits greater than the sum of all appropriate billable charges shall be compensated at the Company's average prior calendar year hourly Locational Marginal Price (LMP) of energy in the ACE PJM zone. The excess compensation must be returned to the subscriber by bill credit, wire transfer, or check. If a subscriber receives net excess credits for each of the three previous consecutive years, the subscriber organization must resize the subscriber's subscription size to ensure it does not exceed 100 percent of historic annual usage, calculated over the past 12 months, available at the time of the reassessment.

Any generation delivered to the grid that has not been allocated to a subscriber may be banked by the project operator in a dedicated project Company account for an annualized period of up to 12 months. The banked credits may be distributed by the project operator to any new or existing subscriber during that 12-month period, in conformance with subscription requirements set forth in N.J.A.C. 14:8-9.6. At the end of the up to 12-month period, any remaining generation credits shall be compensated at the Company's average prior calendar year hourly Locational Marginal Price (LMP) of energy in the ACE PJM zone. Subscribers must have an active electric account within the Company's service territory of the community solar project to which they are subscribed. Upon Company request, if required by the Company, subscribers must agree to a remote read smart meter upon EDC request, purchased and installed at EDC cost.

Subscription Enrollments & Management

The subscriber organization must provide subscriber information for a project to the Company using the Company's online portal for subscription management, known as the Community Solar Portal ("CSP"). The CSP and informational material can be accessed at <https://www.atlanticcityelectric.com/SmartEnergy/MyGreenPowerConnection/Pages/CommunitySolarResources.aspx>.

Subscriber organizations shall indicate in CSP the subscribers that qualify as LMI in accordance with N.J.S.A. 14:8-9.8, and by doing so the subscriber organization confirms that all LMI information entered in CSP has been verified as accurate. Additionally, the subscriber organization shall have obtained authorization from each subscriber for the utility to release that subscriber's account information to the subscriber organization as necessary. Once a project is operational, subscriber organizations shall update their subscriber information for each community solar facility every month unless there is no change from the previous month. Updates to subscriber information must be submitted electronically through CSP. Depending on timing of notification from the subscriber organization of the subscriber's subscription amount, it may take up to two billing cycles before a bill credit is applied to the subscriber's bill. Updates received by the Company on or before the 10th of each month will be effective the following month. Subscriptions may not take effect retroactively.

In the Matter of the Petition of Atlantic City Electric Company Establishing a Cost Recovery Mechanism Through the Greenhouse Gas Initiative Recovery Charge (“Rider RGGI”) for the Community Solar Energy Pilot (“CSEP”) Program and Other Associated Tariff Revisions
BPU Docket No. ER21060871

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