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June 1, 2021

**VIA ELECTRONIC MAIL ONLY**

Aida Camacho-Welch, Secretary  
New Jersey Board of Public Utilities  
44 South Clinton Ave.  
Trenton, NJ 08625  
Board.secretary@bpu.nj.gov

**Re: In the Matter of Jersey Central Power & Light Company's Verified Petition to Establish a New Rate Component of Its Rider RRC – RGGI Recovery Charge ("Rider RRC") for Costs Incurred Pursuant to The Mandated Community Solar Program ("JCP&L Initial CSP Rate Filing")**

**BPU Docket No. \_\_\_\_\_ -**

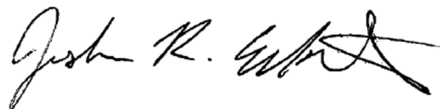
Dear Secretary Camacho-Welch:

On behalf of Jersey Central Power & Light Company ("JCP&L" or the "Company"), attached please find for filing with the New Jersey Board of Public Utilities ("Board" or "BPU") JCP&L's Verified Petition to establish a new rate component of the Company's Rider RRC – RGGI Recovery Charge ("Rider RRC") to recover the costs incurred pursuant to the mandated Community Solar Program ("JCP&L Initial CSP Rate Filing").

Consistent with the Board's March 19, 2020 Order in Docket No. EO2030254, the attached is being provided to the Board and the Division of Rate Counsel by electronic mail only. No paper copies will follow.

Please kindly confirm your receipt and acceptance of the attached for filing by electronic mail at your earliest convenience.

Respectfully submitted,



Joshua R. Eckert  
Counsel for Jersey Central Power & Light Company

cc: Service List

**In the Matter of Jersey Central Power & Light Company's Verified Petition  
to Establish a New Rate Component of Its Rider RRC – RGGI Recovery Charge ("Rider  
RRC") for Costs Incurred Pursuant to The Mandated Community Solar Program  
("JCP&L Initial CSP Rate Filing")**

**BPU Docket No. \_\_\_\_\_**

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

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In the Matter of Jersey Central Power & Light Company's Verified Petition to Establish a New Rate Component of Its Rider RRC – RGGI Recovery Charge ("Rider RRC") for Costs Incurred Pursuant to The Mandated Community Solar Program ("JCP&L Initial CSP Rate Filing")	)	BPU Docket No. _____
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**TO THE HONORABLE BOARD OF PUBLIC UTILITIES:**

Petitioner, Jersey Central Power & Light Company ("JCP&L," the "Petitioner," or the "Company"), an electric public utility company of the State of New Jersey subject to the regulatory jurisdiction of the Board of Public Utilities ("Board" or "BPU") and maintaining offices at 300 Madison Avenue, Morristown, New Jersey 07962-1911, and 101 Crawfords Corner Road, Building 1, Suite 1-511, Holmdel, New Jersey 07733, in support of its above-captioned Verified Petition, respectfully shows:

1. JCP&L is a New Jersey electric distribution utility primarily engaged in the purchase, transmission, distribution and sale of electric energy and related utility services to more than 1,000,000 residential, commercial, and industrial customers located within thirteen counties and 236 municipalities of the State of New Jersey.

2. Copies of all correspondence and other communications relating to this proceeding should be addressed to:

**Joshua R. Eckert, Esq.  
Mark A. Mader  
Kevin M. Siedt  
Yongmei Peng  
James O'Toole  
Thomas Donadio**

**Jersey Central Power & Light Company  
300 Madison Avenue  
Morristown, New Jersey 07962-1911**

**-and-**

**Carol Pittavino  
FirstEnergy Service Company  
800 Cabin Hill Drive  
Greensburg, Pennsylvania 15601**

**-and-**

**Lauren M. Lepkoski, Esq.  
FirstEnergy Service Company  
Legal Department  
2800 Pottsville Pike  
Reading, Pennsylvania 19612-6001**

**Purpose of Filing**

3. The purpose of this filing is to establish a new rate component of the Company's Rider RRC – RGGI Recovery Charge ("Rider RRC") for recovery of the costs projected to be incurred by JCP&L pursuant to the State-mandated Community Solar Program ("CSP" or "Program") and to set an initial rate for same.

4. For the reasons set forth below, JCP&L is proposing the establishment of a CSP Rate as a component of the Company's Rider RRC to recover the Company's projected costs associated with the Program and the setting of an initial rate for the CSP Rate at \$0.00 per kilowatt-hour, exclusive of sales and use tax ("SUT").

**Background**

5. On May 23, 2018, the Clean Energy Act (codified, in relevant part, as N.J.S.A. 48:3-87.11) (the "Act" or "CEA") was signed into law. The Act required, among other things, that the Board "adopt . . . rules and regulations establishing 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) (quotations omitted). The Act further provides that the Board "adopt rules and regulations . . . to convert the Community Solar Energy Pilot Program to a permanent program." N.J.S.A. 48:3-87.11(f). The Act also guaranteed the State's New Jersey Electric Distribution Companies ("EDCs") "full and timely cost recovery for all costs incurred in implementation and compliance with this section." N.J.S.A. 48:3-87.11(e).

6. On February 19, 2019, the Board adopted regulations pertaining to the Community Solar Energy Pilot Program ("Pilot Program").<sup>1</sup> The regulations provide the Board's framework for the development and implementation of community solar through the first three years of the Pilot Program. On December 20, 2019, the Board granted conditional approvals to 45 community solar projects for the first year of the Pilot Program, sixteen of which were in JCP&L's service territory. As of the date of this filing, none of the conditionally approved community solar projects in JCP&L's service territory are operational.

7. On February 5, 2021, the community solar project application period for the second year of the Pilot Program closed. Those applications remain under review by the Board.

8. On April 7, 2021, Board Staff issued a straw proposal setting forth, among other things, its proposed framework for the permanent community solar program (the "Straw Proposal"). The Straw Proposal did not propose any significant changes to the general framework for the Program.

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<sup>1</sup> Consistent with the CEA, the CSP Rate component of Rider RRC will include the Company's costs for implementation and compliance with the entirety of the community solar program, including those costs incurred during the pendency of the Pilot Program.

## **CSP Rate**

9. Attached as **Exhibit A** is JCP&L's proposed template for calculating the annual total revenue requirement necessary to recover JCP&L's costs for implementation and compliance with the Program. These costs include, but are not limited to, the following: the costs of modifying JCP&L's billing system to implement the Program (including any costs associated with implementing changes necessary to accommodate consolidated billing), the full value of the Community Solar Credits provided to customers, and any incremental administrative costs associated with the Company's implementation of and compliance with the Program, to the extent not otherwise recovered in rates. Additionally, to the extent not otherwise recovered in rates, JCP&L proposes to recover the costs of uncollectible receivables associated with its implementation of the Program through the CSP Rate component of Rider RRC.<sup>2</sup>

10. As the Program is still in its initial stages of implementation, JCP&L proposes to set the initial CSP Rate component of its Rider RRC at \$0.00/kWh. There are presently no community solar projects operational within JCP&L's service territory and the specific actual costs associated with the Company's implementation of the Program are not yet capable of being determined. As the Program continues to develop and projects become operational, however, the specific costs of the Program will become better known to the Company and more predictable. As such, JCP&L proposes that future Rider RRC filings set rates for the CSP Rate component utilizing a true-up of prior period costs and a projection of costs for the upcoming review period. JCP&L

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<sup>2</sup> On May 28, 2021, the New Jersey Electric Distribution Companies ("EDCs") filed a report with the New Jersey Board of Public Utilities addressing the potential implementation of consolidated billing of subscriber fees. That report addresses the treatment of subscriber fees as receivables and proposes that any uncollectible receivables be recovered through the Societal Benefits Charge ("SBC"). To the extent such uncollectible receivables are not approved for recovery through the UNC component of the Company's Rider SBC, JCP&L proposes to recover those receivables costs through the CSP Rate component of Rider RRC.

requests authority to defer any costs incurred to date for the Company's implementation and compliance with the Program for inclusion in rates as part of such a future Rider RRC filing.

11. Further, consistent with the current treatment of other rate components in Rider RRC, JCP&L further proposes that the CSP Rate component accrue interest on the unamortized balance (net of deferred taxes), including any over or under-recovered amounts, at the rate and in the manner provided for in the Company's effective Rider RRC Tariff.

### **Attachments**

12. Attached hereto and made a part of this Verified Petition are the following Attachments supporting the Company's request:

Attachment A	CSP Revenue Requirements Calculation Template
Attachment B	Proposed Form of Public Notice
Attachment C	Proposed Rider RRC Tariff Sheet

### **Notice**

13. Attached as **Exhibit B** is a Proposed Form of Public Notice for a virtual public hearing regarding the establishment of the CSP Rate and the setting of an initial rate for same. Due to the COVID-19 state of emergency, the Company proposes that virtual public hearings on this Verified Petition be conducted at a date and at times agreed upon by the parties, and to be included in the Final Public Notice. The Final Public Notice will be published and served in accordance with N.J.A.C. 14:1-5.12 (b)-(d).

### **Service of Petition**

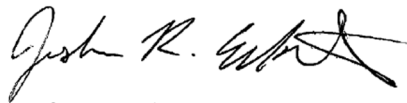
14. Copies of this Verified Petition, and all supporting Attachments thereto, have been or will be duly served by electronic mail to the Director, Division of Rate Counsel, and the Department of Public Law and Safety, Division of Law.

## **CONCLUSION**

**WHEREFORE**, the Petitioner, Jersey Central Power & Light Company, respectfully requests that the Board issue a Final Order and Decision:

- (1) approving JCP&L's request to establish the CSP Rate as a rate component of the Company's Rider RRC in order to recover the Company's reasonable and prudent costs it incurs for its implantation of and compliance with the State-mandated Community Solar Program;
- (2) setting the CSP Rate component of Rider RRC at \$0.00 per kilowatt-hour, exclusive of SUT, effective September 1, 2021;
- (3) authorizing the Company to establish a regulatory asset for the deferral of the Company's costs associated with the Community Solar Program, with the accrual of interest on the unamortized balance (net of deferred taxes), including any over or under-recovered amounts, at the rate and in the manner provided for in the Company's Rider RRC Tariff; and
- (4) granting such other and further relief as the Board shall deem just, lawful and proper.

Respectfully submitted,



Joshua R. Eckert  
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jeckert@firstenergycorp.com

Counsel for Jersey Central Power & Light Company



**AFFIDAVIT**  
**OF**  
**VERIFICATION**

Kevin M. Siedt, being duly sworn upon his oath, deposes and says:

1. I am a Consultant in the Rates and Regulatory Affairs – New Jersey Department for Jersey Central Power & Light Company (“JCP&L” or the “Company”), the Petitioner named in the foregoing Verified Petition, and I am duly authorized to make this Affidavit of Verification on its behalf.

2. I have read the contents of the foregoing Verified Petition by JCP&L insofar as it relates to the Company’s request to establish the CSP Rate as a rate component of JCP&L’s Rider RGGI Recovery Charge (“Rider RRC”) in order to recover the Company’s projected costs associated with its participation in the Community Solar Program, and I hereby verify that the statements of fact and other information contained therein are true and correct to the best of my knowledge, information, and belief.

*Kevin M. Siedt*

Kevin M. Siedt

Sworn to and subscribed before me  
this 1st day of June, 2021.

*Joshua R. Eckert*

Joshua R. Eckert  
An Attorney-at-Law Licensed to Practice in the State of New Jersey  
Attorney ID: 250992018

Jersey Central Power and Light Company  
Community Solar Program ("CSP")  
Revenue Requirement Calculation

Attachment A  
Page 1 of 2

IT Systems Investment Depreciation	5.00
Monthly WACC Effective 5/1/22	0.77812%
Federal & State Income tax rate	28.11%
2 year Treasury plus 60 BP	0.77%

(1)	(2)	(3)	(4)	(5)	(6) = 2-5	(7)	(8) = 4	(9) = (7-8)*28.11%	(10)	(11)	(12) = 6-11	(13)	(14)	(15) = 4+13+14
Investment Month	IT Investments	Cumulative Gross Plant	IT Investment Depreciation	Accumulated Depreciation	Net Plant	Tax Depreciation	Book Depreciation Tax Basis	Deferred Income Tax	Beginning Accumulated Deferred Tax	Ending Accumulated Deferred Tax	Net Investment	Return Component	Customer Credits & O & M Expenses	Revenue Requirements
Jul-21	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Aug-21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sep-21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Oct-21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Nov-21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dec-21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Jan-22	\$ 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Feb-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mar-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Apr-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
May-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Jun-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Jul-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Aug-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sep-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Oct-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Nov-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dec-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Footnote:

- The revenue requirements included in column 14 (Customer Credits and O & M expense) included the payment of full value of the Community Solar Credits provided to Customers and the cost of receivables, to the extent not otherwise recovery in rates, associated with its implementation of the Program.

**Jersey Central Power & Light Company**  
**RGGI Recovery Charge - Rider RRC Filing**  
**Community Solar Program ("CSP")**  
**Proposed Rate Calculations**  
**Expenditures for the Period July 2021 through December 2021**  
**Proposed Rate Effective July 1, 2021**

**Attachment A**  
**Page 2 of 2**

	<b>Calculation of a Proposed Increase in Rider RRC Composite Rate</b>	<b>Effective 1-Jul-21</b>
1	Actual Revenue Requirement (July 2021 through December 2021)	\$ 0
2	Carrying Charge on (over)/under recovery (2 year treasury + 60 BP)	0.00
3	Projected Revenue Requirement (January 2022 through December 2022)	0.00
4	Total CSP Revenue Requirement (July 2021 through December 2022)	0.00
5	Forecasted MWh Retail Sales for the 12 months ended June 30, 2022	0.00
6	Proposed Rider RRC-CSP before SUT (\$/kWh) at July 2021	\$ 0.000000

\* For the rate calculation effective July 1, 2022, actual amounts and forecasted expenditures will be included.

\*\* The Actual Revenue Requirement includes all costs authorized to be deferred by the Company implementing the CSP Program.

**NOTICE TO  
JERSEY CENTRAL POWER & LIGHT COMPANY CUSTOMERS**

**In the Matter of Jersey Central Power & Light Company's Verified Petition to Establish a  
New Rate Component of Its Rider RRC – RGGI Recovery Charge ("Rider RRC") for  
Costs Incurred Pursuant to the Mandated Community Solar Program  
("JCP&L Initial CSP Rate Filing")  
BPU Docket No. \_\_\_\_\_**

**TAKE NOTICE** that, on or about June 1, 2021, Jersey Central Power & Light Company ("JCP&L" or "Company") filed a verified petition ("2021 CSP Petition") with the New Jersey Board of Public Utilities ("Board" or "BPU") to establish a Community Solar Program ("CSP") Rate as a new rate component of the Company's Rider RRC – RGGI Recovery Charge ("Rider RRC"). The CSP Rate is intended to allow JCP&L to recover the costs and expenses incurred by the Company as a result of its implementation and compliance with the Community Solar Program ("Program") established pursuant to N.J.S.A. 48:87.11 and the Board's Orders associated with same. The CSP Rate is proposed to recover the Company's costs for its implementation and compliance with the Program, including, but not limited to, the costs of modifying JCP&L's billing system to implement the Program (including any costs associated with implementing changes necessary to accommodate consolidated billing, if ordered by the Board), the full value of the Community Solar Credits provided to customers, and any incremental administrative costs associated with the Company's implementation and compliance with the Program, to the extent not otherwise recovered in rates.

The proposed initial CSP Rate for all rate classes is \$0.00 per kilowatt-hour. JCP&L is requesting that the Company be authorized to defer any costs incurred to date for the Company's implementation and compliance with the Program, to the extent not already included in rates, for inclusion in rates as part of a future Rider RRC filing. The CSP Rate will be updated annually as part of the Company's Rider RRC filing.

The Board has statutory and regulatory authority to approve and establish rates it finds just and reasonable. Therefore, the Board may determine and establish these charges at levels other than those proposed by JCP&L.

The 2021 CSP Petition was filed with the Board and a copy was also served upon the Division of Rate Counsel. Copies of this 2021 CSP Petition and supporting attachments are available on JCP&L's website at:

[https://www.firstenergycorp.com/jersey\\_central\\_power\\_light/regulatory.html](https://www.firstenergycorp.com/jersey_central_power_light/regulatory.html).

The following date(s) and time(s) and locations for telephonic public hearing(s) have been scheduled on the Verified Petition, so that members of the public may present their views:

<b>Date:</b>	<b>Date:</b>
<b>Time:</b>	<b>Time:</b>
<b>Conference Line:</b>	<b>Conference Line:</b>
<b>Virtual Access Code:</b>	<b>Virtual Access Code:</b>

Due to the COVID-19 state of emergency, a telephonic public hearing will be conducted at the date(s) and time(s) listed above by a hearing officer designated by the Board. Representatives of the Board's Staff and the Division of Rate Counsel will participate in the telephonic public hearing. Members of the public are invited to participate by utilizing the call-in number and access code set forth above, and may express their views on this filing. Such comments will be made part of the final record of the proceeding to be considered by the Board. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, such as interpreters, listening devices or mobility assistance, 48 hours prior to the above hearings to the Board's Secretary at [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov). Customers may also file written comments with the Secretary of the Board of Public Utilities at 44 South Clinton Avenue, 9<sup>th</sup> Floor, Trenton, New Jersey 08625-0350 or email [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov), regardless of whether they participate in the public hearing(s). Although both will be given equal consideration, the preferred method of transmittal is via email to ensure timely receipt while the Board continues to work remotely due to the COVID-19 pandemic. Written comments should reference the name of the petition and the above docket number in the subject line. Written comments will be provided the same weight as statements made at the hearings.

**JERSEY CENTRAL POWER & LIGHT COMPANY**

<b>Rider RRC RGGI Recovery Charge</b>
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**APPLICABILITY:** Rider RRC provides a charge for the costs associated with demand response/energy efficiency/renewable energy programs directed by the BPU as detailed below. The RGGI Recovery Charge (RRC) is applicable to all KWH usage of any Full Service Customer or Delivery Service Customer, as follows

For service rendered effective July 1, 2021:

**RRC = \$0.001111 per KWH (\$0.001185 per KWH including SUT)**

The above RRC provides recovery for the followings:

**Solar Renewable Energy Certificates Financing Program (SREC I & II)**

Pursuant to BPU Orders dated March 27, 2009 and September 16, 2009 (Docket No. EO08090840) approving an SREC-based financing program (SREC I), pursuant to BPU Order dated December 18, 2013 (Docket No. EO12080750) approving the SREC II, and pursuant to BPU Order dated December 20, 2019 (Docket No. ER19070806) approving the Stipulation of Settlement, the Company shall include an SREC I & II Rate of \$0.000000 per kWh in RRC effective January 1, 2020.

**Transition Renewable Energy Certificate Incentive Program (TREC Program)**

On December 19, 2019, the Board issued an Order in Docket No. QO19010068 ("December 19, 2019 Order"), establishing a transition renewable energy certificate ("TREC") program to be implemented upon the attainment of 5.1% of the retail electric sales in the State being from solar. Solar projects that become operational after the State's attainment of the 5.1% milestone but prior to the implementation of a successor solar program will be eligible to participate in the TREC Program, as determined by the Board. The December 19, 2019 Order required the New Jersey Electric Distribution Companies ("EDCs") to purchase all TRECs generated and authorized the EDCs to recover their reasonable and prudent costs incurred for the purchase of TRECs and the fees charged by a TREC Administrator (generally, "TREC Program Costs"). The December 19, 2019 Order further provided that "[r]ecovery shall be based on each EDC's proportionate share of retail electric sales."

The TREC Rate recovers JCP&L's proportional share of TREC Program Costs, including, but not limited to, those costs associated with the purchase of TRECs, fees charged by the TREC Administrator, and any additional costs or expenses incurred by JCP&L as a result of the Company's participation in or implementation of the TREC program.

The TREC Rate for all customer classes is \$0.000523/kWh (\$0.000558 including SUT), effective September 1, 2020.

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**Issued:**

**Effective:**

**Filed pursuant to Order of Board of Public Utilities  
Docket No.**

Issued by James V. Fakult, President  
300 Madison Avenue, Morristown, NJ 07962-1911

<b>Rider RRC RGGI Recovery Charge</b>
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**Energy Efficiency and Conservation Program (EE&C)**

Pursuant to the BPU Order dated June 10, 2020 directing New Jersey's electric and natural gas companies to establish programs that reduce the use of electricity and natural gas within their territories and the BPU Order dated April 27, 2021 approving the Stipulation of Settlement, the Company shall include a EE&C Charge in RRC effective July 1, 2021. The EE&C Charge provides for recovery of revenue requirements associated with Energy Efficiency and Peak Demand Reduction Programs as approved by the BPU.

Effective July 1, 2021, EE&C rate for service classification is as follows:

**EE&C = \$0.000588 per KWH (\$0.000627 per KWH including SUT)**

The Company will submit to the BPU annually an application to recover the revenue requirements for the forthcoming Program Year starting July 1<sup>st</sup> of each year and ending June 30<sup>th</sup> of the following year. Pursuant to the BPU Order at Docket Nos. QO1901040, QO19060748 & QO17091004, the revenue requirements will include a return of and on EE&C program investments and a reconciliation of actual revenues with actual costs on an annual basis. All subsequent filings will adhere to the Company's recovery periods as approved in the below referenced BPU Order.

**Community Solar Program (CSP)**

Pursuant to N.J.S.A. 48:3-87.11, the Board established a Community Solar Program. The CSP Rate recovers JCP&L's costs and expenses associated with its implementation of and compliance with the Community Solar Program, including, but not limited to, recovery of the full value of the cost of community solar credits issued to customers, the cost of modifying the Company's systems to implement billing changes for community solar, and incremental administrative costs associated with JCP&L's implementation of and compliance with the Community Solar Program, to the extent not otherwise recovered in rates. The CSP Rate for all customer classes \$0.000000/kWh (\$0.000000/kWh including SUT), effective September 1, 2021.

The RRC costs shall accrue interest on any over or under recovered balances of such costs at the interest rate based on a two-year constant maturity Treasuries as published in the Federal Reserve Statistical Release on the first day of each month (or the closest day thereafter on which rates are published), plus sixty basis points, but shall not exceed the Company's overall rate of return as approved by the BPU. Such interest rate shall be reset each month. The interest calculation shall be based on the net of tax beginning and end average monthly balance, consistent with the methodology in the Board's Final Order dated May 17, 2004 (Docket No. ER02080506 *et al.*), compounded annually (added to the balance on which interest is accrued annually) on January 1 of each year.

The RRC is subject to annual true-up.

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**Issued:**

**Effective:**

**Filed pursuant to Order of Board of Public Utilities  
Docket No.**

Issued by James V. Fakult, President  
300 Madison Avenue, Morristown, NJ 07962-1911