



June 21, 2013

***VIA ELECTRONIC MAIL & OVERNIGHT MAIL***

Re: Renewable Electric Energy Portfolio Reports  
For the Period June 1, 2012 through May 31, 2013

Kristi Izzo  
Secretary of the Board  
Board of Public Utilities  
44 South Clinton Avenue, 9th Floor  
Post Office Box 350  
Trenton, NJ 08625-0350

Dear Secretary Izzo:

Pursuant to the requirements of N.J.A.C. 14:8-2.11, Atlantic City Electric Company, Jersey Central Power & Light Company, Public Service Electric and Gas Company, and Rockland Electric Company (collectively, the "EDCs") are required to submit annual reports ("Annual Reports") with the Board of Public Utilities (the "Board") by October 1, 2013 demonstrating that they, along with their various Basic Generation Service ("BGS") suppliers, have complied with the Board's Renewable Energy Portfolio Standards ("Standards", "RPS") for Energy Year 2013 (i.e., June 1, 2012 through May 31, 2013). For the reasons set forth below, the EDCs respectfully request that the Board grant them a two month extension of time (i.e., until December 1, 2013) to submit their Annual Reports. Similar extensions were granted by the Board on September 21, 2011 and on September 13, 2012 when these same issues were encountered during the 2011 and 2012 Energy Year Compliance Processes. Further, the EDCs would not oppose the Board granting suppliers/providers ("Suppliers") a one month extension of time for the true-up period (i.e. until November 1, 2013) during which Suppliers would complete their transactions and send the required paperwork to the EDCs.

The task of preparing and submitting the Annual Reports has been complicated by changes to the Standards resulting from enactment of the Solar Energy Advancement and Fair Competition Act ("SEAFCA"). SEAFCA established a schedule of gradually increasing solar energy requirements, as set forth in Table B of N.J.A.C. 14:8-2.3. SEAFCA also changed the method by which a Supplier's solar obligation is calculated. Historically, a Supplier's solar energy obligation was a percentage of the amount of retail electricity the Supplier supplied. Under the method adopted by SEAFCA, however, the statewide solar energy target is divided among the Suppliers based on the market share of each Supplier.

Pursuant to N.J.A.C. 14:8-2.3(k), the first step in calculating a Supplier's solar obligation is to determine said Supplier's market share of the total electricity supplied statewide during the applicable energy year ("Total Supply"). The Total Supply during the energy year is calculated by the Office of Clean Energy ("OCE") and posted on the Board's website.

### **2011 and 2012 Actual Experience:**

Based on our experience in the 2011 and 2012 Energy Year Compliance Processes, the required information (most critically the Total Supply) will not be available until the September timeframe. This delay results from several factors: (1) the fact that PJM has 60 days after the end of the energy year to make corrections to the actual usage data before the final data is sent to the EDCs; (2) once this corrected data is made available to the EDCs in August, further calculations requiring several weeks to complete are necessary before the EDCs can send the required data back to the OCE for use in their calculations; and (3) a further step is that Suppliers, at that point, have an additional two weeks to reconcile their actual sales with the data contained within the PJM GATS system or provide documentation of any discrepancies. As a result of these additional steps, in the 2011 and 2012 Energy year Compliance Processes, the final data from the OCE was made available to Suppliers on September 30, 2011 and September 28, 2012, respectively.

### **Completing the Compliance Process:**

Once all sales and obligation data are final, the Suppliers are required to purchase the proper number of solar renewable energy certificates ("SRECs") to cover their obligations. Until the final obligations are known, Suppliers will remain unsure as to the number of SRECs they are required to obtain. Moreover, the inability of Suppliers to finalize their arrangements to comply with their solar obligations also serves to impede and delay the EDCs' ability to complete and submit the Annual Reports to the Board.

The Standards also allow a Supplier to secure SRECs to comply with its solar obligation for Energy Year 2013 through the end of the true-up period (i.e., through October 1, 2013). Given the expected delay in posting the Total Non-Exempt Supply to the Board's website, one can reasonably expect that many Suppliers will not finalize their solar obligation arrangements until late September 2013. Indeed, it is possible that a Supplier will not finalize its arrangements until mid-October 2013 which is after the October 1<sup>st</sup> date by which the EDCs' Annual Reports currently are due. During the development of past Annual Reports, users of the PJM GATS system have encountered difficulties in completing transfers, particularly during peak periods. For example, Renewable Energy Certificates ("RECs") have been lost during the transfer process, thereby requiring that such RECs be retrieved manually -- a process that can be quite time consuming. Moreover, significant data scrubbing can be required when RECs and SRECs

submitted by Suppliers are not New Jersey certified or are otherwise non-compliant. The EDCs would not be able to complete this data scrubbing process, particularly for RECs and SRECs submitted at the end of September, by October 1, 2013.

In light of these circumstances, the EDCs respectfully request that the due date for the Annual Reports be extended for two months, until December 1, 2013.<sup>1</sup> This extension would afford the EDCs sufficient time to address any GATS-related issues, and review and compile the information provided by the Suppliers, thereby adding to the overall quality of the Annual Reports. It does not appear that either the Board or any third parties will be disadvantaged by the granting of this extension.

Please contact me if you have any questions regarding this matter.

Very truly yours,

A handwritten signature in blue ink that reads "Mally Beelen". The signature is written in a cursive style and is positioned above a faint, dotted rectangular box.

Attachments

C Michael Winka  
Ronald Jackson  
Scott Hunter  
BGS Service List (Electronic)

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<sup>1</sup> As stated earlier in this letter, the EDCs do not oppose moving the Supplier compliance date to November 1, 2013.