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April 30, 2020

In The Matter of the Petition
of Public Service Electric and Gas Company
for Approval of the Recovery of Associated Costs
Related To the Transitional Renewable Energy
Certificate Program ("TREC Program")

BPU Docket No. _____

VIA BPU E-FILING SYSTEM

Aida Camacho-Welch, Secretary
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

Dear Secretary Camacho-Welch:

Enclosed for filing on behalf of petitioner Public Service Electric and Gas Company is the Petition, Testimony of Stephen Swetz, and Supporting Schedules in the above-referenced proceeding.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Joseph A. Shea, Jr.", with a stylized, cursive script.

Joseph A. Shea, Jr.

C Attached Service List (electronic only)

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

IN THE MATTER OF THE PETITION OF)
PUBLIC SERVICE ELECTRIC AND GAS)
COMPANY FOR APPROVAL OF THE) BPU DOCKET NO. _____
RECOVERY OF ASSOCIATED COSTS)
RELATED TO THE TRANSITIONAL)
RENEWABLE ENERGY CERTIFICATE)
PROGRAM)
)
)
(“TREC PROGRAM”))

VERIFIED PETITION

Public Service Electric and Gas Company (PSE&G, the Company, or Petitioner), a corporation of the State of New Jersey, having its principal offices at 80 Park Plaza, Newark, New Jersey, respectfully petitions the New Jersey Board of Public Utilities (Board or BPU) pursuant to N.J.S.A. 48:2-21 as follows:

INTRODUCTION

1. Petitioner is a public utility providing service to approximately 2.3 million electric and 1.8 million gas customers in an area having a population in excess of six million persons. Petitioner’s service territory extends from the Hudson River opposite New York City, southwest to the Delaware River at Trenton and south to Camden, New Jersey.

2. Petitioner is subject to regulation by the Board for the purposes of setting its retail distribution rates and to assure safe, adequate and reliable electric distribution service pursuant to N.J.S.A. 48:2-13, *et seq.*

3. PSE&G is filing this Petition seeking Board approval to recover certain TREC Administrator costs associated with the implementation of the Board's Order In the Matter of a New Jersey Solar Transition Pursuant to P.L. 2018, C.17, in Docket No. Q019010068, dated December 6, 2019 (TREC Order).

4. In the TREC Order, the Board directed the New Jersey electric distribution companies (EDCs)¹ to jointly procure a TREC Administrator. The TREC Administrator will acquire all of the Transition Renewable Energy Certificates (TRECs) produced each year by eligible solar generation projects. The TREC Administrator will thereafter allocate the TRECs to load serving entities based on market share of retail sales for retirement within the generation attribute tracking system (GATS) as part of the annual renewable portfolio standard (RPS) compliance process.

5. In the TREC Order, the Board further determined that:

the EDCs may recover reasonable and prudent costs for TRECs procurement and TREC Administrator fees. Recovery shall be based on each EDC's proportionate share of retail electric sales. Each EDC shall make an annual filing for its costs and the recovery method, which shall be subject to approval by the Board.

TREC PROCUREMENT COSTS

6. As prescribed by the Board, the TREC Administrator will acquire all TRECs produced by eligible solar generation projects at the base compensation rate of \$152 per megawatt hour.² The TREC Administrator will then calculate the actual value of a TREC to

¹ The EDCs are Public Service Electric and Gas Company, Jersey Central Power and Light Company, Atlantic City Electric Company, and Rockland Electric Company.

² See In the Matter of a New Jersey Solar Transition Pursuant to P.L. 2018, C.17 – TREC Base Compensation Schedule, in Docket No. Q019010068, dated March 9, 2020.

be acquired by multiplying the base compensation rate by the factor applicable to the solar project type set forth in the table below.

Solar Project Type	TREC Factor
Subsection (t): landfill, brownfield, areas of historic fill	1.0
Grid supply (subsection (r)) rooftop	1.0
Net metered non-residential rooftop and carport	1.0
Community solar	0.85
Grid supply (subsection (r)) ground mount	0.6
Net metered residential ground mount	0.6
Net metered residential rooftop and carport	0.6
Net metered non-residential ground mount	0.6

7. It is currently estimated that more than forty thousand (40,000) TRECs will be produced in the calendar year 2020. The cost for the TREC Administrator to acquire these TRECs is estimated to be more than five million dollars (\$5,000,000). For the first 3 years of the TREC program, it is estimated that more than more than one million TRECs will be produced, representing a TREC procurement cost of approximately one hundred forty million dollars (\$140,000,000).

TREC ADMINISTRATOR SERVICES FEE

8. On April 10, 2020, the EDCs issued a joint request for proposal (RFP) to seventeen vendors to provide TREC administrator services for three (3) years beginning June 2020. Four (4) bids were received on April 27, 2020. The EDCs are currently evaluating the bids based on a variety of criteria including cost and relevant experience in the renewable energy field. The EDCs expect to select the winning bidder in May 2020. For the initial rate, the EDCs have estimated the cost of the TREC Administrator Services Fee to be \$900,000 annually.

REQUEST FOR COST RECOVERY

9. In accordance with the TREC Order, each EDC may recover its reasonable and prudent costs for TREC procurement and TREC Administrator fees (collectively, TREC Costs) based on its proportionate share of retail electric sales and any other costs reasonably and prudently incurred by the Company in the disposition of its TREC obligations. PSE&G's proportionate share of retail electric sales is currently 57.12%. See Attachment 2, Schedule SS-TREC-3.

10. Consistent with the TREC Order, PSE&G is seeking BPU approval to recover the revenue requirements (approximately \$23 million) associated with its *pro rata* share of the TREC Costs, which amount is supported by Attachment 2, Schedule SS-TREC-2 attached hereto. The projected amount of these expenditures from July 1, 2020, through September 30, 2021, will be trued up in a subsequent annual filing. PSE&G (a) will defer reasonably and prudently incurred costs associated with disposition of its TREC obligations prior to the

issuance of a Board order and (b) recover such costs in the initial rate period beginning September 1, 2020 and ending September 30, 2021.

11. PSE&G proposes to recover the revenue requirements associated with the TREC Program component (TRECC) as a new component of the Company's existing electric Green Program Recovery Charges (GPRC).

12. Attachment 2 is the testimony of Stephen Swetz supporting the revenue requirement and rate calculations.

13. The annual average bill impacts of the requested rate increase are set forth in Attachment 2, Schedule SS-TREC-3. The annual impact of the proposed rates to the typical residential electric customer using 740 kilowatt-hours in a summer month and 6,920 kilowatt-hours annually is an increase of \$3.92 or approximately 0.31%.

14. Attachment 1 is a draft Form of Notice of Filing and of Public Hearings (Form of Notice). This Form of Notice will be placed in newspapers having a circulation within the Company's electric service territory upon scheduling of public hearing dates. Public hearings will be held telephonically. A Notice will be served on the County Executives and Clerks of all municipalities within the Company's electric service territory upon scheduling of public hearing dates.

15. In accordance with the Board's recent Covid-19 order,³ notice of this filing, the Petition, testimony, and schedules will be served upon the Department of Law and Public

³ See In the matter of the New Jersey Board of Public Utilities' Response to the Covid-19 Pandemic for a Temporary Waiver of the Requirements for Certain Non-Essential Obligations, Docket No. EO20030254, dated March 19, 2020.

Safety, 124 Halsey Street, P.O. Box 45029, Newark, New Jersey 07101 and upon the Director, Division of Rate Counsel, 140 East Front Street 4th Floor, Trenton, N.J. 08625 by electronic mail. Electronic copies of the Petition, testimony, and schedules will also be sent to the persons identified on the service list provided with this filing.

16. PSE&G requests that the Board find that the proposed rate, as calculated in, Attachment 2, Schedule SS-TREC-4, are just and reasonable, and that PSE&G should be authorized to implement the proposed rates as set forth herein, effective September 1, 2020 upon issuance of a written BPU order.

17. Any final rate relief found by the Board to be just and reasonable may be allocated by the Board for consistency with the provisions of N.J.S.A. 48:2-21 and for other good and legally sufficient reasons, to any class or classes of customers of the Company. Therefore, the average percentage changes in final rates may increase or decrease compared to the proposed rates based upon the Board's decision.

COMMUNICATIONS

18. Communications and correspondence related to the Petition should be sent as follows:

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CONCLUSION AND REQUESTS FOR APPROVAL

For all the foregoing reasons, PSE&G respectfully requests that the Board retain jurisdiction of this matter and review and expeditiously issue an order approving this Petition specifically finding that:

19. PSE&G is authorized to recover all costs identified herein associated with TREC Program costs, as such costs are reflected in this Petition and accompanying materials, along with anticipated updates of data; and

20. The rates as calculated in Attachment 2, Schedule SS-TREC-4, are just and reasonable and may be implemented for service rendered on and after September 1, 2020.

Respectfully submitted,

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

DATED: April 30, 2020

By

A handwritten signature in blue ink, appearing to read "Joseph A. Shea Jr.", written over a horizontal line.

Joseph A. Shea Jr.
Associate Counsel - Regulatory
PSEG Services Corp.
80 Park Plaza, T5G
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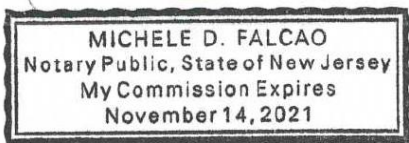
STATE OF NEW JERSEY)
 ss:
COUNTY OF ESSEX)

Stephen Swetz of full age, being duly sworn according to law, on his oath deposes
and says:

1. I am Stephen Swetz, Sr. Director - Corporate Rates and Revenue Requirements
for PSEG Services Corporation.
2. I have read the annexed Petition and the matters contained therein, and they are
true to the best of my knowledge and belief.



Sworn to and Subscribed to
Before me this 30th day of
April 2020

NOTICE TO PUBLIC SERVICE ELECTRIC AND GAS COMPANY ELECTRIC CUSTOMERS

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY FOR APPROVAL OF THE RECOVERY OF ASSOCIATED COSTS RELATED TO THE TRANSITION RENEWABLE ENERGY CERTIFICATE PROGRAM ("TREC PROGRAM")

Notice of Filing

BPU Docket No. _____

TAKE NOTICE that, Public Service Electric and Gas Company ("Public Service," "PSE&G," or "Company") filed a Petition with the New Jersey Board of Public Utilities ("Board" or "BPU") in April 2020 requesting approval to establish a solar transition incentive program involving the issuance of Transition Renewable Energy Certificates ("TRECs") to aid in the transition from the current Solar Renewable Energy Certificate ("SREC") Program under a program entitled the Transition Renewable Energy Certificate Program ("TREC Program").

PSE&G is proposing to recover approximately \$23 million in revenue associated with the recovery of costs associated with the TREC Program. Costs include the Company's share of Payments for the procurement of TRECs, TREC Administrator's Fees, and any other applicable costs prudently incurred by the Company in the disposition of its TREC obligations.

The company proposes to recover all Program costs through the TREC Program as a new separate component of the electric Green Programs Recovery Charge (GPRC). The TREC Program component will be applicable to all electric rate schedules and would be reviewed and modified in an annual filing.

The Company is requesting that any over/under recovery of actual revenue requirements compared to revenues would be deferred. In calculating the monthly interest on net over and under recoveries, the interest rate would be based upon the Company's interest rate obtained on its commercial paper and/or

bank credit lines utilized in the preceding month. The proposed electric GPRC, if approved by the Board, is shown in Table #1.

The approximate effect of the proposed increase on typical electric residential monthly bills, if approved by the Board, is illustrated in Table #2.

Based on the filing, a typical residential electric customer using 740 kilowatt-hours per summer month and 6,920 kilowatt-hours on an annual basis would see an increase in the annual bill from \$1,256.92 to \$1,260.84, or \$3.92 or approximately 0.31%.

The Board has the statutory authority pursuant to N.J.S.A. 48:2-21, to establish the GPRC at levels it finds just and reasonable. Therefore, the Board may establish the GPRC at a level other than that proposed by Public Service. Therefore, the described charges may increase or decrease based upon the Board's decision.

Copies of the Company's filing are available for review at the Company's Customer Service Centers (addresses located here: <https://nj.pseg.com/customerservicelocations>), online at the PSEG website at <http://www.pseg.com/pseandgfilings>, and at the Board of Public Utilities at 44 South Clinton Avenue, 2nd Floor, Trenton, New Jersey 08625-0350. Any member of the public who wants to inspect the petition at the Board may contact the Board's Division of Case Management at (609) 292-0806 to schedule an appointment.

Table # 1
GPRC Charge

	TREC Program Component of the GPRC		Total GPRC	
	Present \$/kWhr (Incl SUT)	Proposed \$/kWhr (Incl SUT)	Present \$/kWhr (Incl SUT)	Proposed \$/kWhr (Incl SUT)
GPRC Electric	\$0.000000	\$0.000567	\$0.001334	\$0.001901

Table # 2
Residential Electric Service

If Your Annual kWhr Use Is:	And Your Monthly Summer kWhr Use Is:	Then Your Present Monthly Summer Bill (1) Would Be:	And Your Proposed Monthly Summer Bill (2) Would Be:	Your Monthly Summer Bill Change Would Be:	And Your Monthly Percent Change Would Be:
1,732	185	\$37.18	\$37.28	\$0.10	0.27%
3,464	370	69.42	69.63	0.21	0.30
6,920	740	135.81	136.23	0.42	0.31
7,800	803	147.63	148.09	0.46	0.31
12,500	1,337	247.97	248.73	0.76	0.31

- (1) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect April 1, 2020 and assumes that the customer receives BGS-RSCP service from Public Service Electric and Gas Company.
- (2) Same as (1) except includes the TREC Program component of the GPRC.

Joseph A. Shea, Esq.
Associate Counsel - Regulatory

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

NOTICE TO PUBLIC SERVICE ELECTRIC AND GAS COMPANY ELECTRIC CUSTOMERS

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY FOR APPROVAL OF THE RECOVERY OF ASSOCIATED COSTS RELATED TO THE TRANSITION RENEWABLE ENERGY CERTIFICATE PROGRAM ("TREC PROGRAM")

Notice of Filing And Notice of Public Hearings

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TAKE NOTICE that, Public Service Electric and Gas Company ("Public Service," "PSE&G," or "Company") filed a Petition with the New Jersey Board of Public Utilities ("Board" or "BPU") in April 2020 requesting approval to establish a solar transition incentive program involving the issuance of Transition Renewable Energy Certificates ("TRECs") to aid in the transition from the current Solar Renewable Energy Certificate ("SREC") Program under a program entitled the Transition Renewable Energy Certificate Program ("TREC Program").

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The company proposes to recover all Program costs through the TREC Program as a new separate component of the electric Green Programs Recovery Charge (GPRC). The TREC Program component will be applicable to all electric rate schedules and would be reviewed and modified in an annual filing.

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Based on the filing, a typical residential electric customer using 740 kilowatt-hours per summer month and 6,920 kilowatt-hours on an annual basis would see an initial increase in the annual bill from \$1,256.92 to \$1,260.84, or \$3.92 or approximately 0.31%.

The Board has the statutory authority pursuant to N.J.S.A. 48:2-21, to establish the GPRC at levels it finds just and reasonable. Therefore, the Board may establish the GPRC at a level other than that proposed by Public Service. Therefore, the described charges may increase or decrease based upon the Board's decision.

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Telephonic public hearings have been scheduled on the following dates and times so that members of the public may present their views on the Company's filing. Information provided at the public hearings will become part of the record of this case and will be considered by the Board in making its decision.

Date 1, 2020
Time 1

Dial In:
Access Code:

Date 2, 2020
Time 2

Dial In:
Access Code:

Date 3, 2020
Time 3

Dial In:
Access Code:

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.

Customers may also file written comments with the Secretary of the Board of Public Utilities at 44 South

Clinton Avenue, 9th Floor, Suite 314, P.O. Box 350, Trenton, New Jersey, 08625-0350 ATTN: Secretary Aida Camacho-Welch, or email board.secretary@bpu.nj.gov, whether or not they participate in the public hearings. 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.

**Table # 1
GPRC Charge**

	TREC Program Component of the GPRC		Total GPRC	
	Present \$/kWhr (Incl SUT)	Proposed \$/kWhr (Incl SUT)	Present \$/kWhr (Incl SUT)	Proposed \$/kWhr (Incl SUT)
GPRC Electric	\$0.000000	\$0.000567	\$0.001334	\$0.001901

**Table # 2
Residential Electric Service**

If Your Annual kWhr Use Is:	And Your Monthly Summer kWhr Use Is:	Then Your Present Monthly Summer Bill (1) Would Be:	And Your Proposed Monthly Summer Bill (2) Would Be:	Your Monthly Summer Bill Change Would Be:	And Your Monthly Percent Change Would Be:
1,732	185	\$37.18	\$37.28	\$0.10	0.27%
3,464	370	69.42	69.63	0.21	0.30
6,920	740	135.81	136.23	0.42	0.31
7,800	803	147.63	148.09	0.46	0.31
12,500	1,337	247.97	248.73	0.76	0.31

- (1) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect April 1, 2020 and assumes that the customer receives BGS-RSCP service from Public Service Electric and Gas Company.
- (2) Same as (1) except includes the TREC Program component of the GPRC.

Joseph A. Shea, Esq.
Associate Counsel - Regulatory

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

**IN THE MATTER OF THE PETITION OF
PUBLIC SERVICE ELECTRIC AND GAS COMPANY
FOR APPROVAL OF THE RECOVERY OF
ASSOCIATED COSTS RELATED TO THE
TRANSITION RENEWABLE ENERGY CERTIFICATE
PROGRAM**

(“TREC Program”)

BPU Docket No. _____

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY
DIRECT TESTIMONY
OF
STEPHEN SWETZ
SR. DIRECTOR – CORPORATE RATES
AND REVENUE REQUIREMENTS**

APRIL 30, 2020

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY
DIRECT TESTIMONY
OF
STEPHEN SWETZ
SR. DIRECTOR – CORPORATE RATES AND REVENUE REQUIREMENTS**

1 **Q. Please state your name and professional title.**

2 A. My name is Stephen Swetz and I am the Sr. Director – Corporate Rates and Revenue
3 Requirements for PSEG Services Corporation. My credentials are set forth in the attached
4 Schedule SS-TREC-1.

5 **Q. What is the purpose of your direct testimony in this proceeding?**

6 A. The purpose of this testimony is to support Public Service Electric and Gas Company's
7 (PSE&G or the Company) proposed methodology for recovery of its share of the costs related
8 to the Transition Renewable Energy Certificate Program (TREC Program or the Program),
9 including projected bill impacts. My testimony provides details of the proposed calculations
10 and recovery mechanisms.

11 **COST RECOVERY MECHANISM**

12 **Q. Please briefly describe PSE&G's proposed cost recovery program.**

13 A. PSE&G is proposing to recover the revenue requirements associated with the costs of
14 the TREC Program. Costs include the Company's share of (a) payments for the procurement
15 of TRECs, (b) the TREC Administrator's Fee, and (c) any other applicable costs reasonable
16 and prudently incurred by the Company in the disposition of its TREC obligations.

1 PSE&G is proposing that the Board of Public Utilities (Board, BPU) authorize the
2 recovery of the revenue requirements in accordance with Section 13 of L. 2007, c.340 of
3 N.J.S.A. 48:3-98.1 et seq.

4 The details of the costs proposed to be recovered, as well as the mechanism for such
5 recovery, are set forth in this testimony.

6 **Calculation of the Revenue Requirements**

7 **Q. How does PSE&G propose to calculate the revenue requirements on a monthly**
8 **basis?**

9 A. The revenue requirements associated with the costs of the TREC Program would be
10 expressed as:

11
$$\text{Revenue Requirements} = (\text{TREC Procurement Payments} + \text{TREC}$$

12
$$\text{Administrator Fee}) * \text{PSE\&G's Share \%} + \text{Other Related Expenses}$$

13 **Q. Please describe the components and defined terms in PSE&G's proposed**
14 **monthly revenue requirement calculation.**

15 A. The following is a description of each term proposed in PSE&G's revenue requirement
16 calculation.

17 TREC Procurement Payments – Payments made by the TREC Administrator for the
18 purchase of TRECs from the eligible solar facilities made on behalf of each NJ Electric
19 Distribution Company (“EDC”).

20 TREC Administrator Fee – This Fee will be paid to the TREC Administrator to manage
21 and implement the TREC Program on behalf of the EDCs.

1 PSE&G's Share % – This percentage is based upon PSE&G's share of actual billed
2 retail energy (kWh) sales as percentage of total EDC actual billed retail sales for the
3 Calendar Year preceding the applicable energy year. For Energy Year 2021 (June 2020
4 to May 2021), Calendar Year 2019 actual billed retail energy sales will be used to
5 allocate costs to each EDC. Please see Schedule SS-TREC-3

6 Other Related Expenses – Other applicable expenses reasonably and prudently incurred
7 by the Company in the disposition of its TREC obligations

8 **Q. What are the revenue requirements for the initial rate recovery period?**

9 A. The revenue requirements for the initial rate period through September 30, 2021 is \$23
10 million. See Schedule SS-TREC-2.

11 **Q. Please describe the monthly detailed revenue requirement calculations.**

12 A. The monthly detailed calculation of the revenue requirements for the initial period
13 through September 30, 2021 along with monthly calculations through May 2023 for the TREC
14 Program is based upon the projected costs shown in Schedule SS-TREC-2 and is available in
15 the electronic workpapers (WP-SS-TREC-1.xlsx, worksheet "RevReq"). Below is a detailed
16 description of the monthly revenue requirements calculations set forth in Columns 1 – 16 of
17 Schedule SS-TREC-2.

18 New TI TREC Project Capacity by Month's End (Column 1) is a program assumption
19 from BPU Staff that represents the solar capacity (MWdc) that is available to generate TRECs
20 at the end of each month. Effective Generating Capacity (Column 2) is also a program
21 assumption from BPU Staff that represents the effective solar generation capacity (MWdc) that
22 is available throughout each month. The Production Rate Estimate (Column 3) is the amount

1 of solar generation output that is expected from each MWdc of Effective Generating Capacity
2 (MWh/MWdc). It is based upon data sourced from PVWatts® Calculator (“PVWatts”), which
3 is an interactive website made available by the National Renewable Energy Laboratory
4 (NREL). BPU Staff utilized PVWatts by entering typical system parameters for NJ solar
5 facilities and using PVWatts output to develop the monthly Production Rate Estimates. TRECs
6 Created (Column 4) is the monthly quantity of TRECs created by TREC eligible solar
7 generation facilities. It is calculated based upon Effective Generation Capacity (Column 2)
8 multiplied by the Production Estimate (Column 3). The Solar System Allocation Percentages
9 (Columns 5, 6 & 7) are the respective allocation percentages of the monthly generation amount
10 from different classifications of TREC eligible solar generation systems and their associated
11 TREC Factor (listed below):

Project Type	TREC Factor
Subsection (t): landfill, brownfield, areas of historic fill.	1.00
Grid supply (subsection (r)) rooftop	1.00
Net metered non-residential rooftop and carport	1.00
Community solar	0.85
Grid supply (subsection (r)) ground mount	0.60
Net metered residential ground mount	0.60
Net metered residential rooftop and carport	0.60
Net metered non-residential ground mount	0.60

12 The TREC Procurement Payments (Column 8) is the sum product of monthly TRECs Created
13 (Column 4) and the Solar System Allocation Percentages and their corresponding TREC Price
14 Multipliers (Columns 5, 6 & 7). The TREC Administer Fee (Column 12) is the monthly

1 expense for the TREC Administrator to manage and implement the TREC Program on behalf
2 the NJ EDCs. The TREC Procurement Payment + Administrator Fee (Column 13) is the sum
3 of the TREC Procurement Payment (Column 8) and the TREC Administrator Fee (Column
4 12). TREC Procurement Payments - PS Share (Column 14) is PSE&G's share of the TREC
5 Procurement Payment + Administrator Fee. Other Expenses (Column 15) are other related
6 applicable expenses reasonably and prudently incurred by the Company in the disposition of
7 its TREC obligations. Revenue Requirements (Column 16) is the sum of PSE&G's share of
8 the TREC Procurement Payment + Administrator Fee (Column 14) and Other Expenses
9 (Column 15).

10 **Method for Cost Recovery**

11 **Q. Please describe the cost recovery mechanism.**

12 A. PSE&G proposes to recover the revenue requirements associated with the TREC
13 Program component (TRECC) as a new component of the Company's existing electric Green
14 Program Recovery Charges (GPRC).

15 **Q. When is the anticipated implementation of this charge?**

16 A. The TRECC, as proposed as part of this testimony, is intended to be effective
17 September 1, 2020 upon issuance of a Board Order.

18 **Q. Does the Company anticipate deferring any costs associated with the TREC**
19 **Program?**

20 A. Yes. The Company will defer reasonably and prudently incurred costs associated with
21 the TREC Program prior to the Board's approval and recover such costs in the initial Rate

1 Period from September 1, 2020 through September 30, 2021. Associated monthly interest on
2 the balance of these deferred costs will accrue as detailed below.

3 **Q. How does the Company anticipate updating the TRCC for subsequent rate**
4 **periods?**

5 A. For subsequent rate periods, the Company proposes to update the TRECC on an annual
6 basis incorporating a true-up for actuals and an estimate of the revenue requirements for the
7 upcoming recovery period in future GPRC cost recovery filings. The calculation of the
8 proposed TRECC is shown in Schedule SS-TREC-4. The Revenue Requirements (Line 1) for
9 the initial period is divided by the Forecasted Sales (Line 5) to determine the TRECC (Line 6)
10 without the New Jersey Energy Sales and Use Tax (SUT) applied.

11 **Q. How will the Company account for any over- or under-recoveries?**

12 A. Under this proposal, The Company would defer any over/under recovery of the
13 monthly actual revenue requirements compared to actual revenues. In calculating the monthly
14 interest on net over and under recoveries, the interest rate shall be based upon the Company's
15 interest rate obtained on its commercial paper and/or bank credit lines utilized in the preceding
16 month. If both commercial paper and bank credit lines have been utilized, the weighted
17 average of both sources of capital shall be used. In the event that neither commercial paper
18 nor bank credit lines were utilized in the preceding month, the last calculated rate will be used.
19 The interest rate shall not exceed PSE&G's overall rate of return as authorized by the Board
20 in calculating revenue requirements for the corresponding period. The interest amount charged
21 to the TREC Program deferred balance will be computed using the methodology set forth in
22 Schedule SS-TREC-6. The calculation of monthly interest shall be based on the net of tax

1 average monthly balance, consistent with the methodology set forth in Schedule SS-TREC-6.
2 Simple interest shall accrue on any under and over recovered balances, and shall be included
3 in the deferred balances at the end of each reconciliation period. Near the end of the initial and
4 each subsequent recovery period, the corresponding electric deferred balance would be
5 included with forecasted revenue requirements for the succeeding period for purpose of setting
6 the revised TRECC.

7 **Projected Bill Impacts**

8 **Q. Please describe the calculation of the bill impacts for the Program.**

9 A. An estimate of rate and bill impacts of the TREC Program has been prepared as
10 Schedule SS-TREC-7. The calculations of TRECC without SUT were previously described in
11 the Method of Cost Recovery section above. The TRECC with SUT (Line 9 of Schedule SS-
12 TREC-4) is determined by multiplying each TRECC without SUT (Line 6) by one plus the
13 current SUT rate (6.625%) This Rate Impact Analysis uses current rates for calculating the
14 percentage change for all major rate classes. The April 1, 2020 current average rates for all of
15 these rate classes are shown on the first row of Schedule SS-TREC-5. In addition, the typical
16 residential electric annual bill calculations are also shown in Schedule SS-TREC-5.

17 **Q. What are the initial bill impacts?**

18 A. The expected increase from the TRECC for the initial recovery period would be
19 \$0.000532 per kWh without SUT (\$0.000567 per kWh with SUT).

20 PSE&G's typical residential electric customer using 740 kWh in a summer month and
21 6,920 kWh annually would experience an initial increase in their annual bill from \$1,256.92 to
22 \$1,260.84 or \$3.92, or approximately 0.31% (based upon Delivery Rates and BGS-RSCP

1 charges in effect April 1, 2020 assuming that the customer receives BGS-RSCP service from
2 PSE&G).

3 **Q. Does this conclude your testimony at this time?**

4 A. Yes, it does.

SCHEDULE INDEX

Schedule SS-TREC-1	Qualifications
Schedule SS-TREC-2	Revenue Requirements Calculation
Schedule SS-TREC-3	EDC Actual Billed Sales (kWh)
Schedule SS-TREC-4	Proposed Rate Calculation
Schedule SS-TREC-5	Rate Impact Analysis
Schedule SS-TREC-6	Electric Over / Under Balance Calculation
Schedule SS-TREC-7	Residential Bill Impacts
Schedule SS-TREC-8	Tariff Sheets

ELECTRONIC WORKPAPER INDEX

WP-SS-TREC-1.xlsx

1 unbundling electric rates and Off-Tariff Rate Agreements. I have had a leadership role in
2 various economic analyses, asset valuations, rate design, pricing efforts and cost of service
3 studies.

4 I am an active member of the American Gas Association's Rate and Strategic
5 Issues Committee, the Edison Electric Institute's Rates and Regulatory Affairs Committee
6 and the New Jersey Utility Association (NJUA) Finance and Regulatory Committee.

7 **EDUCATIONAL BACKGROUND**

8 I hold a B.S. in Mechanical Engineering from Worcester Polytechnic
9 Institute and an MBA from Fairleigh Dickinson University.

LIST OF PRIOR TESTIMONIES

Company	Utility	Docket	Testimony	Date	Case / Topic
Public Service Electric & Gas Company	E/G	GR20010073	written	Jan-20	Remediation Adjustment Charge-RAC 27
Public Service Electric & Gas Company	G	GR19120002	written	Dec-19	CEF
Public Service Electric & Gas Company	E/G	ER19091302	written	Aug-19	Tax Adjustment Clauses (TACs)
Public Service Electric & Gas Company	E/G	ER19070850	written	Jul-19	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER19060764 & GR19060765	written	Jun-19	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	G	GR19060766	written	Jun-19	Gas System Modernization Program II (GSMPII) - First Roll-In
Public Service Electric & Gas Company	G	GR19060761	written	Jun-19	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E	ER19060741	written	Jun-19	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	E/G	EO18060629 - GO18060630	oral	Jun-19	Energy Strong II / Revenue Requirements & Rate Design
Public Service Electric & Gas Company	G	GR19060698	written	May-19	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E	ER19040523	written	May-19	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	EO18101113 - GO18101112	oral	May-19	Clean Energy Future - Energy Efficiency Program Approval
Public Service Electric & Gas Company	E/G	EO18101113 - GO18101112	written	Dec-18	Clean Energy Future - Energy Efficiency Program Approval
Public Service Electric & Gas Company	E/G	GR18121258	written	Nov-18	Remediation Adjustment Charge-RAC 26
Public Service Electric & Gas Company	G	GR18070831	written	Jul-18	Gas System Modernization Program (GSMP) - Third Roll-In
Public Service Electric & Gas Company	E/G	ER18070688 - GR18070689	written	Jun-18	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER18060681	written	Jun-18	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR18060675	written	Jun-18	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	EO18060629 - GO18060630	written	Jun-18	Energy Strong II / Revenue Requirements & Rate Design
Public Service Electric & Gas Company	G	GR18060605	written	Jun-18	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER18040358 - GR18040359	written	Mar-18	Energy Strong / Revenue Requirements & Rate Design - Eighth Roll-in
Public Service Electric & Gas Company	E/G	ER18030231	written	Mar-18	Tax Cuts and Job Acts of 2017
Public Service Electric & Gas Company	E/G	GR18020093	written	Feb-18	Remediation Adjustment Charge-RAC 25
Public Service Electric & Gas Company	E/G	ER18010029 and GR18010030	written	Jan-18	Base Rate Proceeding / Cost of Service & Rate Design
Public Service Electric & Gas Company	E	ER17101027	written	Sep-17	Energy Strong / Revenue Requirements & Rate Design - Seventh Roll-in
Public Service Electric & Gas Company	G	GR17070776	written	Jul-17	Gas System Modernization Program II (GSMP II)
Public Service Electric & Gas Company	G	GR17070775	written	Jul-17	Gas System Modernization Program (GSMP) - Second Roll-In
Public Service Electric & Gas Company	G	GR17060720	written	Jul-17	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER17070724 - GR17070725	written	Jul-17	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER17070723	written	Jul-17	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR17060593	written	Jun-17	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER17030324 - GR17030325	written	Mar-17	Energy Strong / Revenue Requirements & Rate Design - Sixth Roll-in
Public Service Electric & Gas Company	E/G	EO14080897	written	Mar-17	Energy Efficiency 2017 Program
Public Service Electric & Gas Company	E	ER17020136	written	Feb-17	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E/G	GR16111064	written	Nov-16	Remediation Adjustment Charge-RAC 24
Public Service Electric & Gas Company	E	ER16090918	written	Sep-16	Energy Strong / Revenue Requirements & Rate Design - Fifth Roll-in
Public Service Electric & Gas Company	E	EO16080788	written	Aug-16	Construction of Mason St Substation
Public Service Electric & Gas Company	E	ER16080785	written	Aug-16	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	G	GR16070711	written	Jul-16	Gas System Modernization Program (GSMP) - First Roll-In
Public Service Electric & Gas Company	G	GR16070617	written	Jul-16	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER16070613 - GR16070614	written	Jul-16	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER16070616	written	Jul-16	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR16060484	written	Jun-16	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E	EO16050412	written	May-16	Solar 4 All Extension II (S4AllExt II) / Revenue Requirements & Rate Design
Public Service Electric & Gas Company	E/G	ER16030272 - GR16030273	written	Mar-16	Energy Strong / Revenue Requirements & Rate Design - Fourth Roll-in
Public Service Electric & Gas Company	E/G	GR15111294	written	Nov-15	Remediation Adjustment Charge-RAC 23
Public Service Electric & Gas Company	E	ER15101180	written	Sep-15	Energy Strong / Revenue Requirements & Rate Design - Third Roll-in
Public Service Electric & Gas Company	E/G	ER15070757-GR15070758	written	Jul-15	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER15060754	written	Jul-15	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR15060748	written	Jul-15	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR15060646	written	Jun-15	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER15050558	written	May-15	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER15050558	written	May-15	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER15030389-GR15030390	written	Mar-15	Energy Strong / Revenue Requirements & Rate Design - Second Roll-in
Public Service Electric & Gas Company	G	GR15030272	written	Feb-15	Gas System Modernization Program (GSMP)
Public Service Electric & Gas Company	E/G	GR14121411	written	Dec-14	Remediation Adjustment Charge-RAC 22
Public Service Electric & Gas Company	E/G	ER14091074	written	Sep-14	Energy Strong / Revenue Requirements & Rate Design - First Roll-in
Public Service Electric & Gas Company	E/G	EO14080897	written	Aug-14	EEE Ext II
Public Service Electric & Gas Company	G	ER14070656	written	Jul-14	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER14070651-GR14070652	written	Jul-14	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER14070650	written	Jul-14	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR14050511	written	May-14	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	GR14040375	written	Apr-14	Remediation Adjustment Charge-RAC 21

LIST OF PRIOR TESTIMONIES

Company	Utility	Docket	Testimony	Date	Case / Topic
Public Service Electric & Gas Company	E/G	ER13070603-GR13070604	written	Jun-13	Green Programs Recovery Charge (GPRC)-Including DR, EEE, EEE Ext, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E	ER13070605	written	Jul-13	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR13070615	written	Jun-13	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR13060445	written	May-13	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	EO13020155-GO13020156	written/oral	Mar-13	Energy Strong / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GO12030188	written/oral	Mar-13	Appliance Service / Tariff Support
Public Service Electric & Gas Company	E	ER12070599	written	Jul-12	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER12070606-GR12070605	written	Jul-12	RGGI Recovery Charges (RRC)-Including DR, EEE, EEE Ext, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E	EO12080721	written/oral	Jul-12	Solar Loan III (SLIII) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO12080721	written/oral	Jul-12	Solar 4 All Extension(S4Allext) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GR12060489	written	Jun-12	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	G	GR12060583	written	Jun-12	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER12030207	written	Mar-12	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER12030207	written	Mar-12	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	G	GR11060338	written	Jun-11	Margin Adjustment Charge (MAC) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GR11060395	written	Jun-11	Weather Normalization Charge / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO11010030	written	Jan-11	Economic Energy Efficiency Extension (EEEExt) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	ER10100737	written	Oct-10	RGGI Recovery Charges (RRC)-Including DR, EEE, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E/G	ER10080550	written	Aug-10	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER10080550	written	Aug-10	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	GR09050422	written/oral	Mar-10	Base Rate Proceeding / Cost of Service & Rate Design
Public Service Electric & Gas Company	E	ER10030220	written	Mar-10	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	E	EO09030249	written	Mar-09	Solar Loan II(SLII) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	EO09010056	written	Feb-09	Economic Energy Efficiency(EEE) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO09020125	written	Feb-09	Solar 4 All (S4All) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO08080544	written	Aug-08	Demand Response (DR) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	ER10100737	written	Jun-08	Carbon Abatement (CA) / Revenue Requirements & Rate Design - Program Approval

PSE&G Transition Renewable Energy Certificate (TREC) Program
Revenue Requirements Calculation

NJ EDC TREC Revenue Requirement																					
TREC Price (\$/MWh) \$152.00										Annual Administrator Fee \$900,000											
																	PS Share		57.12%		
(1)	(2)	(3)	(4)	Solar System Allocation Percentages and TREC Factors ¹			(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)					(16)		
Program Assumption	Program Assumption	Program Assumption	Col 2 * Col 3	Program Assumption	Program Assumption	Program Assumption	[(Factor Col 5] * Col 5 + [Factor Col 6] * Col 6 + [Factor Col 7] * Col 7) * [TREC Price] * Col 4	Prior Col 10 + Col 8	Sum of Col 4 per Col 9	Program Assumption	Col 8 + Col 12	Col 13 * [PS Share] per Month	Program Assumption	Col 14 + Col 15							
New TI Project Capacity by Month's End				Effective Generating Capacity	Production Rate Estimate	TRECs Created	Sub t, Sub r Roof & NM NR Roof	Community Solar	Sub r Grnd, Resi Grnd & roof,NM NR Grnd	TREC Procurement Payments	Cumulative TREC Cost / Energy Year	TRECs / Energy Year	TREC Administrator Fee	TREC Procurement Payment + Administrator Fee	Month	TREC Procurement Payments + Administrator Fee - PS Share	Other Expenses	Revenue Requirement			
Calendar Year	Month	(MWdc)	(MWdc)	(MWh/MWdc)	(MWh)	1.00	0.85	0.6	(\$)	EY	(\$)	(MWh)	(\$)	(\$)			(\$)				
1	2020	July	30	5	123	615	36%	0%	64%		\$69,549	21	\$69,549	\$75,000	\$144,549	1	Jul-20	\$82,563	\$0	\$82,563	
2		August	40	40	115	4,600	36%	0%	64%		\$520,205	21	\$589,754	\$75,000	\$595,205	2	Aug-20	\$339,966	\$0	\$339,966	
3		September	35	80	100	8,000	46%	0%	54%		\$953,344	21	\$1,543,098	\$75,000	\$1,028,344	3	Sep-20	\$587,364	\$0	\$587,364	
4		October	30		110	84	36%	0%	64%		\$1,044,933	21	\$2,588,031	\$75,000	\$1,119,933	4	Oct-20	\$639,677	\$0	\$639,677	
5		November	35		145	67	36%	0%	64%		\$1,098,650	21	\$3,686,681	\$75,000	\$1,173,650	5	Nov-20	\$670,359	\$0	\$670,359	
6		December	30	180	58	10,440	46%	0%	54%		\$1,244,114	21	\$4,930,795	\$75,000	\$1,319,114	6	Dec-20	\$753,444	\$0	\$753,444	
											\$4,930,795		-			7	Jan-21	\$1,096,245	\$0	\$1,096,245	
7	2021	January	30	220	72	15,840	34%	12%	54%		\$1,844,283	21	\$6,775,078	\$75,000	\$1,919,283	8	Feb-21	\$1,383,538	\$0	\$1,383,538	
8		February	20	240	84	20,160	34%	12%	54%		\$2,347,269	21	\$9,122,347	\$75,000	\$2,422,269	9	Mar-21	\$1,917,368	\$0	\$1,917,368	
9		March	30	270	102	27,540	40%	12%	47%		\$3,281,887	21	\$12,404,234	\$75,000	\$3,356,887	10	Apr-21	\$2,222,141	\$0	\$2,222,141	
10		April	20	290	113	32,770	34%	12%	54%		\$3,815,477	21	\$16,219,710	\$75,000	\$3,890,477	11	May-21	\$2,475,517	\$0	\$2,475,517	
11		May	20	310	118	36,580	34%	12%	54%		\$4,259,083	21	\$20,478,793	175,500	\$75,000	\$4,334,083	12	Jun-21	\$2,852,927	\$0	\$2,852,927
12		June	15	325	118	38,350	46%	12%	47%		\$4,919,845	22	\$4,919,845	\$75,000	\$4,994,845	13	Jul-21	\$2,823,993	\$0	\$2,823,993	
13		July	15	340	123	41,820	34%	12%	54%		\$4,869,186	22	\$9,789,031	\$75,000	\$4,944,186	14	Aug-21	\$2,796,061	\$0	\$2,796,061	
14		August	20	360	115	41,400	34%	12%	54%		\$4,820,285	22	\$14,609,316	\$75,000	\$4,895,285	15	Sep-21	\$2,629,335	\$0	\$2,629,335	
15		September	20	380	100	38,000	40%	12%	47%		\$4,528,384	22	\$19,137,700	\$75,000	\$4,603,384	16	Oct-21	\$2,277,338	\$0	\$2,277,338	
16		October	20	400	84	33,600	34%	12%	54%		\$3,912,115	22	\$23,049,815	\$75,000	\$3,987,115	17	Nov-21	\$1,891,953	\$0	\$1,891,953	
17		November	15	415	67	27,805	34%	12%	54%		\$3,237,392	22	\$26,287,207	\$75,000	\$3,312,392	18	Dec-21	\$1,730,064	\$0	\$1,730,064	
18		December	7	422	58	24,476	41%	12%	47%		\$2,953,959	22	\$29,241,166	\$75,000	\$3,028,959	19	Jan-22	\$2,186,958	\$0	\$2,186,958	
											\$44,789,164		-			20	Feb-22	\$2,544,311	\$0	\$2,544,311	
19	2022	January	0	432	72	31,104	41%	12%	47%		\$3,753,880	22	\$32,995,046	\$75,000	\$3,828,880	21	Mar-22	\$3,080,341	\$0	\$3,080,341	
20		February	0	432	84	36,288	41%	12%	47%		\$4,379,526	22	\$37,374,572	\$75,000	\$4,454,526	22	Apr-22	\$3,407,915	\$0	\$3,407,915	
21		March	0	432	102	44,064	41%	12%	47%		\$5,317,996	22	\$42,692,568	\$75,000	\$5,392,996	23	May-22	\$3,556,812	\$0	\$3,556,812	
22		April	0	432	113	48,816	41%	12%	47%		\$5,891,505	22	\$48,584,073	\$75,000	\$5,966,505	24	Jun-22	\$3,556,812	\$0	\$3,556,812	
23		May	0	432	118	50,976	41%	12%	47%		\$6,152,191	22	\$54,736,265	456,699	\$75,000	\$6,227,191	25	Jul-22	\$3,705,709	\$0	\$3,705,709
24		June	0	432	118	50,976	41%	12%	47%		\$6,152,191	23	\$6,152,191	\$75,000	\$6,227,191	26	Aug-22	\$3,467,474	\$0	\$3,467,474	
25		July	0	432	123	53,136	41%	12%	47%		\$6,412,878	23	\$12,565,069	\$75,000	\$6,487,878	27	Sep-22	\$3,020,782	\$0	\$3,020,782	
26		August	0	432	115	49,680	41%	12%	47%		\$5,995,780	23	\$18,560,849	\$75,000	\$6,070,780	28	Oct-22	\$2,544,311	\$0	\$2,544,311	
27		September	0	432	100	43,200	41%	12%	47%		\$5,213,722	23	\$23,774,570	\$75,000	\$5,288,722	29	Nov-22	\$2,038,061	\$0	\$2,038,061	
28		October	0	432	84	36,288	41%	12%	47%		\$4,379,526	23	\$28,154,097	\$75,000	\$4,454,526	30	Dec-22	\$1,770,046	\$0	\$1,770,046	
29		November	0	432	67	28,944	41%	12%	47%		\$3,493,193	23	\$31,647,290	\$75,000	\$3,568,193	31	Jan-23	\$2,186,958	\$0	\$2,186,958	
30		December	0	432	58	25,056	41%	12%	47%		\$3,023,959	23	\$34,671,249	\$75,000	\$3,098,959	32	Feb-23	\$2,544,311	\$0	\$2,544,311	
											\$60,166,347					33	Mar-23	\$3,080,341	\$0	\$3,080,341	
31	2023	January	0	432	72	31104	41%	12%	47%		\$3,753,880	23	\$38,425,128	\$75,000	\$3,828,880	34	Apr-23	\$3,407,915	\$0	\$3,407,915	
32		February	0	432	84	36288	41%	12%	47%		\$4,379,526	23	\$42,804,654	\$75,000	\$4,454,526	35	May-23	\$3,556,812	\$0	\$3,556,812	
33		March	0	432	102	44064	41%	12%	47%		\$5,317,996	23	\$48,122,650	\$75,000	\$5,392,996	36	Jun-23	\$3,556,812	\$0	\$3,556,812	
34		April	0	432	113	48816	41%	12%	47%		\$5,891,505	23	\$54,014,156	\$75,000	\$5,966,505						
35		May	0	432	118	50976	41%	12%	47%		\$6,152,191	23	\$60,166,347	498,528	\$75,000	\$6,227,191					
36		June	0	432	118	50976	41%	12%	47%		\$6,152,191	24	\$66,318,539	50,976	\$75,000	\$6,227,191					
Three Year Total																					
Notes: ¹ Allocations for certain months intentionally do not add to 100%.																					

**PSE&G Transition Renewable Energy Certificate (TREC) Program
EDC Actual Billed Sales (kWh)**

Month Year	1 2019	2 2019	3 2019	4 2019	5 2019	6 2019	7 2019	8 2019	9 2019	10 2019	11 2019	12 2019		% of Total
	January	February	March	April	May	June	July	August	September	October	November	December	Total	Total
PSE&G	3,472,005,204	3,351,621,056	3,202,163,059	2,923,580,867	2,822,983,863	3,248,911,858	4,133,299,028	4,325,839,886	3,745,915,833	3,151,586,382	2,927,014,413	3,336,064,044	40,640,985,493	57.12%
JCP&L	1,812,110,003	1,679,817,468	1,575,269,797	1,390,698,301	1,355,704,052	1,571,256,544	2,050,540,188	2,262,213,672	1,951,237,791	1,568,621,399	1,372,331,356	1,599,589,737	20,189,390,308	28.37%
ACE	749,418,969	678,560,889	655,578,040	586,121,430	592,639,954	701,061,303	955,470,107	1,040,966,487	917,258,921	667,991,887	596,450,488	656,071,962	8,797,590,437	12.36%
RECO	127,661,261	114,237,067	104,885,088	109,253,614	110,132,430	123,975,834	168,634,790	173,412,533	141,636,572	117,380,024	114,699,379	119,500,727	1,525,409,319	2.14%
Total	6,161,195,437	5,824,236,480	5,537,895,984	5,009,654,212	4,881,460,299	5,645,205,539	7,307,944,113	7,802,432,578	6,756,049,117	5,505,579,692	5,010,495,636	5,711,226,470	71,153,375,557	100.00%

PSE&G Transition Renewable Energy Certificate (TREC) Program Proposed Rate Calculations

(\$'s Unless Specified)

SUT Rate 6.625%

<u>Line</u>	<u>Date(s)</u>		<u>Electric</u>	<u>Source/Description</u>
1	Jul 2020 - Sep 2021	Revenue Requirements	23,270,497	SUM (Schedule SS-TREC-2, Col 16)
2	Mar-20	(Over) / Under Recovered Balance	0	Schedule SS-TREC-6, Line 4
3	Mar-20	Cumulative Interest Exp / (Credit)	0	Schedule SS-TREC-6, Line 7
4	Jul 2020 - Sep 2021	Total Target Rate Revenue	23,270,497	Line 1 + Line 2 + Line 3
5	Sep 2020 - Sep 2021	Forecasted MWh	43,704,016	Schedule SS-TREC-6, Line 9
6		Calculated Rate w/o SUT (\$/kWh)	0.000532	(Line 4 / (Line 5*1,000)) [Rnd 6]
7		Existing Rate w/o SUT (\$/kWh)	0.000000	
8		Proposed Rate w/o SUT (\$/kWh)	0.000532	Line 6
9		Proposed Rate w/ SUT (\$/kWh)	0.000567	(Line 9 * (1 + SUT Rate)) [Rnd 6]
10		Difference in Proposed and Previous Rate	0.000532	(Line 8 - Line 7)
11		Resultant TREC Revenue Increase / (Decrease)	23,250,537	(Line 5 * Line 10 * 1,000)

PSE&G Transition Renewable Energy Certificate (TREC) Program
TREC Component (TRECC) Rate Impact Analysis

6.625% SUT Rate effective 1/1/2018																6,920 Avg RS kWh / yr.		
43,704,016 kWh Sales (000) - Sep 20 - Sep 21																740 Avg RS kWh / Summer Month		
39,862,932 kWh Sales (000) - Oct 21 - Sep 22																495 Avg RS kWh / Winter Month		
																0.001334 Current electric GPRC (\$/kWh)		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)			
			Class Average Rate w/SUT - \$/kWh ¹							Typical RS GPRC (\$)								
													Change in					
													RS Typical					
													Annual Bill					
													Annual Bill					
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¹ All customers assumed to have BGS Supply
² Initial Rate period is September 2020 to September 2021 for TREC Program
³ SUT is assumed at the current SUT rate effective January 1, 2018 through the life of the Program
⁴ The rates are based on a typical residential bill as of March 1, 2020

PSE&G Transition Renewable Energy Certificate (TREC) Program
(Over)/Under Calculation

Existing / Proposed STIP Rate w/o SUT \$/kWh		-	-	0.000532	0.000532	0.000532	0.000532	0.000532	0.000532	0.000532
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<u>TREC (Over)/Under Calculation</u>		<u>Jul-20</u>	<u>Aug-20</u>	<u>Sep-20</u>	<u>Oct-20</u>	<u>Nov-20</u>	<u>Dec-20</u>	<u>Jan-21</u>	<u>Feb-21</u>	<u>Mar-21</u>
(1)	TREC Revenue	-	-	1,781,052	1,648,088	1,558,730	1,778,436	1,860,193	1,634,956	1,695,196
(2)	Revenue Requirements	<u>82,563</u>	<u>339,966</u>	<u>587,364</u>	<u>639,677</u>	<u>670,359</u>	<u>753,444</u>	<u>1,096,245</u>	<u>1,383,538</u>	<u>1,917,368</u>
(3)	Monthly (Over)/Under Recovery	82,563	339,966	(1,193,688)	(1,008,411)	(888,371)	(1,024,992)	(763,948)	(251,418)	222,172
(4)	Deferred Balance	82,563	422,528	(771,160)	(1,779,570)	(2,667,942)	(3,692,934)	(4,456,882)	(4,708,300)	(4,486,128)
(5)	Monthly Interest Rate	0.15000%	0.15000%	0.15000%	0.15000%	0.15000%	0.15000%	0.15000%	0.15000%	0.15000%
(6)	After Tax Monthly Interest Expense/(Credit)	45	272	(188)	(1,375)	(2,398)	(3,430)	(4,394)	(4,942)	(4,957)
(7)	Cumulative Interest	45	317	129	(1,246)	(3,644)	(7,074)	(11,468)	(16,410)	(21,367)
(8)	Balance Added to Subsequent Year's Revenue Requirements	82,607	422,845	(771,031)	(1,780,817)	(2,671,586)	(3,700,008)	(4,468,350)	(4,724,710)	(4,507,496)
(9)	Net Sales - MWh			3,347,842	3,097,909	2,929,944	3,342,925	3,496,604	3,073,226	3,186,458

PSE&G Transition Renewable Energy Certificate (TREC) Program
(Over)/Under Calculation

Existing / Proposed STIP Rate w/o SUT \$/kWh		0.000532	0.000532	0.000532	0.000532	0.000532	0.000532	
		(10)	(11)	(12)	(13)	(14)	(15)	
<u>TREC (Over)/Under Calculation</u>		<u>Apr-21</u>	<u>May-21</u>	<u>Jun-21</u>	<u>Jul-21</u>	<u>Aug-21</u>	<u>Sep-21</u>	<u>Notes</u>
(1)	TREC Revenue	1,460,569	1,690,392	1,891,388	2,252,821	2,236,707	1,762,007	TREC Rate * Line 9
(2)	Revenue Requirements	<u>2,222,141</u>	<u>2,475,517</u>	<u>2,852,927</u>	<u>2,823,993</u>	<u>2,796,061</u>	<u>2,629,335</u>	From SS-TREC-2, Col 16
(3)	Monthly (Over)/Under Recovery	761,571	785,125	961,539	571,171	559,355	867,328	Line 2 - Line 1
(4)	Deferred Balance	(3,724,557)	(2,939,433)	(1,977,893)	(1,406,722)	(847,367)	19,960	Prev Line 4 + Line 3 + Line 10 + Line 11
(5)	Monthly Interest Rate	0.15000%	0.15000%	0.15000%	0.15000%	0.15000%	0.15000%	Annual Interest Rate / 12
(6)	After Tax Monthly Interest Expense/(Credit)	(4,427)	(3,593)	(2,651)	(1,825)	(1,215)	(446)	(Prev Line 4 + Line 4) / 2 * (1 - Tax Rate) * Line 5
(7)	Cumulative Interest	(25,794)	(29,387)	(32,039)	(33,863)	(35,079)	(35,525)	Prev Line 7 + Line 6
(8)	Balance Added to Subsequent Year's Revenue Requirements	(3,750,351)	(2,968,820)	(2,009,932)	(1,440,586)	(882,446)	(15,565)	Line 4 + Line 7
(9)	Net Sales - MWh	2,745,431	3,177,429	3,555,241	4,234,627	4,204,336	3,312,044	

TYPICAL RESIDENTIAL ELECTRIC BILL IMPACTS

The effect of the proposed Transitional Renewable Energy Certificates (TREC) Program component of the electric Green Programs Recovery Charge (GPRC) on typical residential electric bills, if approved by the Board, is illustrated below:

Residential Electric Service					
If Your Monthly Summer kWhr Use Is:	And Your Annual kWhr Use Is:	Then Your Present Annual Bill (1) Would Be:	And Your Proposed Annual Bill (2) Would Be:	Your Annual Bill Change Would Be:	And Your Percent Change Would Be:
185	1,732	\$357.28	\$358.24	\$0.96	0.27%
370	3,464	655.12	657.08	1.96	0.30
740	6,920	1,256.92	1,260.84	3.92	0.31
803	7,800	1,411.08	1,415.48	4.40	0.31
1,337	12,500	2,248.84	2,255.96	7.12	0.32

- (1) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect April 1, 2020 and assumes that the customer receives BGS-RSCP service from Public Service.
- (2) Same as (1) except includes the proposed TREC Program component of the GPRC.

Residential Electric Service					
If Your Annual kWhr Use Is:	And Your Monthly Summer kWhr Use Is:	Then Your Present Monthly Summer Bill (3) Would Be:	And Your Proposed Monthly Summer Bill (4) Would Be:	Your Monthly Summer Bill Change Would Be:	And Your Percent Change Would Be:
1,732	185	\$37.18	\$37.28	\$0.10	0.27%
3,464	370	69.42	69.63	0.21	0.30
6,920	740	135.81	136.23	0.42	0.31
7,800	803	147.63	148.09	0.46	0.31
12,500	1,337	247.97	248.73	0.76	0.31

- (3) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect April 1, 2020 and assumes that the customer receives BGS-RSCP service from Public Service.
- (4) Same as (3) except includes the proposed TREC Program component of the GPRC.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 16 ELECTRIC

XXX Revised Sheet No. 65

Superseding

XXX Revised Sheet No. 65

GREEN PROGRAMS RECOVERY CHARGE

**Charge
(per kilowatt-hour)**

Component:

Carbon Abatement Program	\$0.000022
Energy Efficiency Economic Stimulus Program.....	(\$0.000060)
Demand Response Program	\$0.000000
Solar Generation Investment Program	\$0.000767
Solar Loan II Program	\$0.000282
Energy Efficiency Economic Extension Program.....	(\$0.000079)
Solar Generation Investment Extension Program	(\$0.000035)
Solar Loan III Program	(\$0.000060)
Energy Efficiency Economic Extension Program II.....	\$0.000274
Solar Generation Investment Extension II Program	(\$0.000035)
Energy Efficiency 2017 Program	\$0.000175
<u>Transition Renewable Energy Certificate Program.....</u>	<u>\$0.000532</u>
Sub-total per kilowatt-hour	\$0.001251 <u>\$0.001783</u>

Charge including New Jersey Sales and Use Tax (SUT)	\$0.001334 <u>\$0.001901</u>
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GREEN PROGRAMS RECOVERY CHARGE

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs and other Board of Public Utilities (BPU) Programs approved for collection via this charge. The charge will be reset nominally on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rates shall be reset each month.

Date of Issue:

Issued by SCOTT S. JENNINGS, SVP - Corporate Planning, Strategy and Utility Finance – PSE&G

80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated
in Docket No.

Effective:

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 16 ELECTRIC

XXX Revised Sheet No. 65

Superseding

XXX Revised Sheet No. 65

GREEN PROGRAMS RECOVERY CHARGE

**Charge
(per kilowatt-hour)**

Component:

Carbon Abatement Program	\$0.000022
Energy Efficiency Economic Stimulus Program.....	(\$0.000060)
Demand Response Program	\$0.000000
Solar Generation Investment Program	\$0.000767
Solar Loan II Program	\$0.000282
Energy Efficiency Economic Extension Program.....	(\$0.000079)
Solar Generation Investment Extension Program	(\$0.000035)
Solar Loan III Program	(\$0.000060)
Energy Efficiency Economic Extension Program II.....	\$0.000274
Solar Generation Investment Extension II Program	(\$0.000035)
Energy Efficiency 2017 Program	\$0.000175
Transition Renewable Energy Certificate Program.....	<u>\$0.000532</u>
Sub-total per kilowatt-hour	\$0.001783

Charge including New Jersey Sales and Use Tax (SUT)\$0.001901

GREEN PROGRAMS RECOVERY CHARGE

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs and other Board of Public Utilities (BPU) Programs approved for collection via this charge. The charge will be reset nominally on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rates shall be reset each month.

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