



## NJUSA Testifies on Zero Emissions Certificate Program

As we go to press, BPU has approved PSEG's request for a 3-year extension of its Zero Emissions Certificate for its nuclear plants. Below is NJUSA President Karen Alexander's excerpted testimony supporting the extension delivered virtually during BPU's February 1 public hearing. NJUSA congratulates NJUSA sponsor PSEG on achieving this important approval!

*I appreciate the opportunity to share the views of our members on the important issue of continuing financial support for the three remaining nuclear facilities operating in the State. NJUSA strongly supports the continuation of the ZEC program for these critically important facilities and urges the Board to grant the continuation of the current ZEC charge of \$10/MWh through the second eligibility period for all three plants.*

*The vast majority of NJUSA members are senior citizens for whom utility stocks can represent an important source of supplemental income in their retirement years. They are average New Jerseyans and for those who are seniors, are as sensitive, if not more so, to the extraordinary health and economic challenges posed by the COVID-19 pandemic.*

*As both ratepayers and utility shareholders, NJUSA members are acutely aware of the potential impact both of increased rates and of events that can diminish the value of their utility shares. They understand, perhaps better than most, the challenge the Board faces in fulfilling its mission to balance ratepayer and shareholder interests. As New Jersey residents, they have observed the policy shifts from one administration to the next at both the state and federal levels as to whether and to what extent clean energy will be pursued. I cannot speak to the political views of our members or whether individually they support green energy, but I can say with confidence that uncertainty is anathema to people who look to utility investments as a modest and stable source of income.*

*Not all NJUSA members hold shares in PSEG. As New Jersey residents, all, however, stand to be affected by the Board's decision on this matter. Whether PSEG shareholders or not, certainty and reliability in the supply of electricity is critically important. In terms of electric reliability, PSEG's nuclear assets benefit all New Jerseyans. In terms*

*of certainty, I can tell you that for an older generation of New Jerseyans who remember an energy policy environment pre-EDECA deregulation and who are just starting to get their arms around the concept that electric and gas utilities can still make money even when they sell less energy, there is a desire for more certainty, not less, from energy policy-maker's decisions.*

*Conservative-minded retail utility investors would not find investment in nuclear plants financially abandoned by the State to be an attractive place for their limited dollars. This is particularly so since investors cannot earmark their dollars for only the regulated utility operations. These are not shareholders who typically find comfort in merchant electric generating plants, which are essentially what Salem 1 & 2 and Hope Creek are without the underpinnings of the ZEC program.*

*The uncertainties of the merchant electricity marketplace are considerable, buffeted by lower cost fossil fuels and the uncertainty of future FERC and RTO market decisions. This market uncertainty was clearly expressed in PSEG's Q3 2020 Earnings Call, in which Ralph Izzo reported:*

*"...current market conditions continue to be influenced by lower loads due to COVID-19, low natural gas prices and ample generation." He continued: "Persistently low PJM day ahead power prices make the (sic) economic pressures on our baseload carbon free nuclear units even more challenging."*

**Continued on page 4**

**Join us for a Virtual Learning event!**

**Wednesday, May 19, 2021  
11 a.m.— Noon**

**Speaker:**

**Karen Alexander, President, NJUSA  
"NJ Energy Utilities and Clean Energy  
Policy: What's Going On?"**

To join, please visit: <https://bit.ly/3aqRAg1>  
and use the code **692978** when prompted.

## NJUSA Testifies on Zero Emissions Certificate Program Continued from page 3

*In this environment, absent the support of the ZEC charge, the flow of investment capital needed for ongoing traditional and clean energy utility operations could be put at risk. The ZEC charge is clearly critical for the continued operation of the nuclear units. However, from the investor perspective, BPU's continuation of the full statutorily-authorized ZEC charge would signify that the State understands that, while the power generation and utility operations are separate from a regulatory and corporate finance standpoint, they are inseparable in terms of whether the State's actions encourage or discourage continued shareholder investment.*

*New Jersey's clean energy transformation is underway, with nuclear energy clearly established as an essential leg of a three-legged stool. That stool consists of the carbon-free electricity generated by the nuclear plants and the growing, but not yet comparable, contributions of the yet-to-be-achieved energy efficiency and renewable energy goals.*



*If the stool is to continue to stand, the nuclear leg must be supported with the continuation of the ZEC charge through the next eligibility period.*

*The Board has accomplished an extraordinary amount of work over the past three years—you substantially revised the Energy Master Plan, created a comprehensive framework for utility-run energy efficiency programs, completed a major transition to the State's solar energy program, advanced the first major offshore-wind project with a second in the offing. These are considerable gains, and that is just in the energy arena! But even with these advancements, absent a continued commitment to nuclear generation through the \$10/MWh charge, the State simply will not be able to achieve its important clean energy goals.*

## American Water Appoints Three to Key Leadership Roles

American Water Works Company Inc. recently announced that Cheryl Norton has been named executive vice president and chief operating officer and Bruce Hauk has been named deputy chief operating officer effective March 1, 2021. Additionally, Mark McDonough has been named senior vice president and president of Camden-based New Jersey American Water, effective April 19.

As COO, Norton will be responsible for the successful performance of American Water's regulated states, serving approximately 12 million people in more than 1,600 communities. She will also lead customer service across the company's footprint, including two national customer service centers, as well as system-wide engineering, health and safety, and environmental and regulatory compliance.

As Deputy COO, Hauk will support the COO in the successful performance of American Water's regulated operations.

## PSEG and Ørsted Complete PSEG's Acquisition of 25% Interest in Ocean Wind

PSEG and Ørsted recently announced they have completed PSEG's acquisition of a 25% equity interest in Ocean Wind. Announced on December 4, 2020, PSEG's investment in Ocean Wind received approval from the New Jersey Board of Public Utilities on March 31.

Ocean Wind is an 1,100-megawatt offshore wind farm located 15 miles off the coast of southern New Jersey. The recent issuance of a Notice of Intent for Ocean Wind from the federal Bureau of Ocean Energy Management is further progress along the timeline of New Jersey's groundbreaking investment in offshore wind power.

"From creating jobs and strengthening the economy to investing in infrastructure and bringing gigawatts of renewable energy to our coast, offshore wind is critical to New Jersey's future," PSEG Chairman, President and CEO Ralph Izzo said. "PSEG is pleased to close on its investment in Ocean Wind and looks forward to working with Ørsted to bring clean energy and new industry to the state."