

A. REGULATORY PROCEEDING

Companion Document: Section C.1 of the [BGS Auction Process](#) Chapter of the October Bidder Information Materials is a **companion document** that provides a timeline and brief overview of the BGS regulatory process. This chapter updates the content of the companion document by describing the activities under the regulatory proceeding that have taken place to date.

This chapter is provided for bidder convenience only. Any statements herein describing the EDCs’ “Proposal for Basic Generation Service Requirements to Be Procured Effective June 1, 2019” filed on June 29, 2018 with the New Jersey Board of Public Utilities (“Board” or “BPU”) or describing the Board Order in the proceeding are qualified in their entirety by our reference to the EDCs’ proposal available on the BGS Auction website ([Front Part of Filing](#), [Appendix A](#), [Appendix B](#), [Appendix C](#), and [Appendix D](#)) and to the [Board Orders](#). Bidders bear full responsibility for reviewing the EDCs’ proposal and the subsequent Board Order.

The EDCs are Public Service Electric and Gas Company (“PSE&G”), Jersey Central Power & Light Company (“JCP&L”), Atlantic City Electric Company (“ACE”), and Rockland Electric Company (“RECO”).

A.1. Prior to the Board Order

BGS Proposals

In response to a New Jersey Board of Public Utilities (“Board” or “BPU”) [Procedural Order](#) issued April 25, 2018, the EDCs filed their “Proposal for Basic Generation Service Requirements to Be Procured Effective June 1, 2019” on June 29, 2018. No other party filed an alternative proposal. The EDCs’ proposal is available on the [BGS Proceeding](#) page of the BGS Auction website and the links are provided above. The EDCs’ proposal consisted of:

- A joint proposal that detailed the procurement of supply for BGS customers through a statewide Auction Process; and
- A Company Specific Addendum for each EDC that addressed EDC-specific issues including contingency plans, rate design, tariff sheets, as well as an accounting and cost recovery proposal.

Each Company Specific Addendum included the Company’s BGS-RSCP rate design spreadsheet that provides full details of the calculation of BGS-RSCP retail rates on the basis of final auction prices as well as draft tariff sheets for BGS-CIEP customers.

Discovery

In its Procedural Order, the Board invited interested parties to file with the Board's Secretary discovery requests on the BGS proposals. The deadline for discovery requests was Monday, July 23, 2018. The EDCs provided responses to discovery by the deadline of Monday, August 6, 2018.

Comment Process

In its Procedural Order, the Board also invited interested parties to submit comments on the BGS proposals. Comments could be submitted at three points in time. First, written initial comments could be submitted to the Board by September 5, 2018. Two BGS suppliers submitted initial comments concerning Section 15.9 of the existing and proposed BGS Supplier Master Agreements for the Board's consideration. Second, interested parties could appear at a legislative-type hearing held on September 28, 2018 to provide an oral presentation to the Board. The Division of Rate Counsel ("Rate Counsel"), the Independent Energy Producers of New Jersey ("IEPNJ"), and the EDCs appeared and made oral presentations to the Board at its legislative-type hearing. IEPNJ asked the Board to clarify the obligations of BGS suppliers under the Renewable Portfolio Standards ("RPS") following the enactment of the Clean Energy Act. Lastly, written final comments could be submitted to the Board by October 12, 2018 to respond to issues raised during initial comments or at the legislative-type hearing. One BGS supplier, the Retail Energy Supply Association ("RESA"), Rate Counsel and the EDCs submitted final comments that responded to the issues raised in the proceeding regarding Section 15.9 of the BGS Supplier Master Agreements and the impact of the Clean Energy Act on the RPS obligations of BGS suppliers.

A.2. Board Decision

At its agenda meeting on November 19, 2018, the Board rendered its decision on the EDCs' proposal. The Board approved the main elements of the EDCs' proposal, which have been stable over the past several years, namely:

- Using a single statewide Auction Process to procure supply for BGS customers;
- Holding two auctions, the BGS-CIEP Auction for large commercial and industrial customers, and the BGS-RSCP Auction for residential and smaller commercial customers;
- A supply period of June 1, 2019 through May 31, 2022 for the BGS-RSCP Auction;
- A supply period of June 1, 2019 through May 31, 2020 for the BGS-CIEP Auction;

- The use of a clock auction format; and
- A decision by the Board on the auction results within two business days of the close of the last auction.

The Board also explicitly approved:

- The EDCs' plan for marketing efforts, including holding bidder information webcasts, publicizing new developments through the BGS Auction website, and making announcements by email to interested parties;
- The confidentiality provisions to protect information provided in the bidder application forms and information related to specific bidder activity during the auctions; and
- Adjusting the decrements for PSE&G, JCP&L, and ACE in the BGS-RSCP Auction to be step-wise functions.

The Board also recognized that the Clean Energy Act does not provide full clarity on the BGS Suppliers' SREC and Class I responsibilities. The Board found that further review and analysis were needed; for that purpose, the Board directed Staff to conduct a stakeholder meeting on these issues and to provide its recommendations to the Board at the December 2018 regular agenda meeting. Final comments on these issues were due by Monday, December 10, 2018.

Please consult the [Board Order](#) in Docket No. ER18040356 as posted to the BGS Auction website for full details regarding the Board's actions.