

Agenda Date: 4/12/23 Agenda Item: 2F

STATE OF NEW JERSEY Board of Public Utilities 44 South Clinton Avenue, 1<sup>st</sup> Floor Post Office Box 350 Trenton, New Jersey 08625-0350 www.nj.gov/bpu/

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<u>ENERGY</u>

IN THE MATTER OF THE PROVISION OF BASIC GENERATION SERVICE (BGS) FOR THE PERIOD BEGINNING JUNE 1, 2024 DECISION AND ORDER DOCKET NO. ER23030124

Parties of Record:

Matthew Weissman, Esq., on behalf of Public Service Electric and Gas Company James Meehan, Esq., on behalf of Jersey Central Power & Light Company Philip J. Passanante, Esq., on behalf of Atlantic City Electric Company Margaret Comes, Esq., on behalf of Rockland Electric Company Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On July 1, 2021 and July 1, 2022, New Jersey's Electric Distribution Companies ("EDCs") filed joint Basic Generation Service ("BGS") proposals, including proposals to use a "descending clock" auction format to procure two-thirds of the State's BGS requirements for Residential and Small Commercial Pricing ("BGS-RSCP") customers.<sup>1</sup> By Orders dated November 17, 2021 and November 9, 2022, the New Jersey Board of Public Utilities ("Board" or "BPU") approved the EDCs' proposals, with modifications, for the period beginning June 1, 2024 and ending May 31, 2025.<sup>2</sup> The Auction Orders did not address procurement of the remaining one-third of BGS requirements for BGS-RSCP customers, or of the State's annual BGS requirements for Commercial and Industrial Energy Pricing ("BGS-CIEP") customers, for this period.<sup>3</sup>

Additionally, prior Board Orders approved a process by which Rockland would procure its Central and Western Divisions' capacity and energy needs, where it made previous purchases of capacity

<sup>&</sup>lt;sup>1</sup> The State's four (4) investor-owned EDCs are Atlantic City Electric Company, Jersey Central Power & Light Company, Public Service Electric and Gas Company, and Rockland Electric Company ("Rockland").

<sup>&</sup>lt;sup>2</sup> In re the Provision of Basic Generation Service (BGS) for the Period Beginning June 1, 2022, BPU Docket No. ER21030631, Order dated November 17, 2021; and <u>In re the Provision of Basic Generation Service</u> (BGS) for the Period Beginning June 1, 2023, BPU Docket No. ER22030127, Order dated November 9, 2022 ("Auction Orders").

<sup>&</sup>lt;sup>3</sup> If the EDCs continue to propose a three (3) year rolling product as they have in prior filings, the BGS-RSCP requirements procured for the period beginning June 1, 2024 will supply one-third of the BGS-RSCP load for the period June 1, 2024 through May 31, 2027.

and energy from the New York Independent System Operator. Going forward, and to the extent not previously addressed by the Board, Rockland will need to address the procurement of energy and capacity needs for those regions in its company-specific proposal.

For 22 years, the Board provided, through the BGS procurement process, an opportunity for all interested parties to participate through written comments, a legislative-type hearing, and public hearings. These procedures resulted in a wide range of suggestions, a timely Board decision, and ultimately, a successful procurement process. Accordingly, the Board intends to initiate a proceeding to determine, for the period beginning June 1, 2024, the best procurement process for BGS-RSCP and BGS-CIEP requirements, and Rockland's non-PJM service area energy and capacity needs within New Jersey. This proceeding will include an invitation for all interested parties to propose how to procure BGS supply and an opportunity for all parties to issue discovery, provide written comments to the Board, and provide oral testimony at both a legislative-type and public hearings where the Board encourages the use of expert testimony. The proposed procedural schedule anticipates a Board decision on the process in November 2023, a BGS procurement process in February 2024, and a Rockland process for its non-PJM service area's energy and capacity needs.

Therefore, the Board <u>HEREBY</u> <u>ORDERS</u> the EDCs to file proposals no later than July 3, 2023, addressing how to procure the remaining one-third of the State's BGS-RSCP requirements and the annual BGS-CIEP requirements for the period beginning June 1, 2024. The Board <u>FURTHER</u> <u>ORDERS</u> Rockland to file a proposal as part of its July 3, 2023 BGS filing to procure the BGS energy and capacity requirements for its non-PJM service area within New Jersey for the period beginning June 1, 2024, to the extent not previously addressed. In addition, the Board invites all other interested stakeholders to file alternative BGS proposals with the Board by July 3, 2023.

Furthermore, the Board <u>HEREBY</u> <u>ADOPTS</u> the preliminary procedural schedule contained in Attachment A to this Order.

All discovery and comments must be filed with the Board's Secretary and electronically served via email to parties on the attached electronic service list. Parties may request to be added to the electronic service list by emailing Ryan Moran at <u>ryan.moran@bpu.nj.gov</u>.

The Board <u>HEREBY</u> ORDERS that all parties adhere to the attached preliminary procedural schedule unless otherwise directed. Parties will be advised of the time and place of the legislative-type hearing identified in Attachment A electronically via email, and through a posting on the Board's webpage. The Board and/or Board Staff will also notify parties through the electronic service list and, when possible, through the Board's webpage, of the time and location of any meetings or hearings as well as of any schedule changes.

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This Order shall be effective April 19, 2023.

DATED: April 12, 2023

BOARD OF PUBLIC NTILITIES BY:

**FIORDALISO** JOSE

PREIDENT

Mary Anxa Holden

DIANNE<sup>3</sup>SOLOMON COMMISSIONER

MARY ANNA HOLDE

DR. ZENON CHRISTODOULOU COMMISSIONER

ATTEST:

ŠHERRI L. GOLDEN SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original In the files of the Board of Public Utilities.

# ATTACHMENT A

# Preliminary 2024 BGS Schedule

DATE	Activity or Decision Point
7/3/2023	Filing of Proposals and/or Modifications for BGS for the period beginning June 1,
	2024
7/24/2023	Discovery request deadline
8/8/2023	Discovery response deadline
9/4/2023	Deadline for Initial Comments on all proposals
ТВА	Legislative-type Hearing*
TBA	Public Hearings*
10/6/2023	Deadline for Final Comments**
Nov. 2023	Expected Board decision on BGS proposals
Dec 2023	EDC Compliance Filings
Dec. 2023	Expected Board decision on Compliance Filings
Feb. 2024	Procurement Process for BGS Supply requirements

\* This is a placeholder for the Legislative-type Hearing and the Public Hearings (for the public hearings the time and place will be scheduled by the electric distribution companies ("EDCs") in conjunction with the BPU), as required.

\*\* Final Comments should only be used to respond to issues raised either in the Initial Comments, or at the Legislative-type Hearing. They should not be used to raise new issues in this proceeding.

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