

The EDCs' Undertakings

The following reflects the key elements of the EDCs' undertakings regarding reporting requirements for the Renewable Energy Portfolio Standards ("RPS") and the availability of Renewable Energy Certificates ("RECs") from Committed Supply. These elements were proposed as part of each EDC's Final Company Specific Addendum filed on July 2, 2012 (see <http://www.bgs-auction.com/bgs.auction.regproc.asp>). The EDCs' proposal, including the EDCs' undertakings related to the RPS, is pending approval from the New Jersey Board of Public Utilities ("Board" or "BPU") in November 2012.

Reporting

Each BGS Supplier is responsible for meeting the renewable energy requirements associated with the tranches it serves. The BGS Supplier either obtains the required RECs and SRECs for the entire requirement, or the BGS Supplier pays the ACPs and SACPs to make up the shortfall. The ACP has historically been set at \$50/MWh. The SACP is set at \$339/MWh for the period June 1, 2013 through May 31, 2014, \$331 for the period June 1, 2014 through May 31, 2015, and \$323 for the period June 1, 2015 through May 31, 2016.

The Board requires an annual report each fall to demonstrate compliance with the RPS for the year ending on the preceding May 31st. The EDCs propose to assist BGS Suppliers in meeting these reporting requirements. Each BGS-FP and BGS-CIEP Supplier submits sufficient information to the EDCs for them to prepare the annual compliance reports and the EDCs submit the required reports on behalf of BGS Suppliers.

A BGS Supplier may be subject to penalties if it fails to demonstrate compliance with the RPS or fails to meet the deadlines set forth in the RPS. BGS Suppliers must keep all records relating to meeting the requirements of the RPS for a period of five years, and may be required to present these records for review upon request by the Board or its designees.

Renewable Energy Certificates

PSE&G and JCP&L will, to the extent permitted by applicable regulatory and contractual provisions and applicable law, make available to BGS-FP Suppliers on a pro-rata basis RECs from Committed Supply, including supply from non-utility generators ("NUGs").

ACE proposes to make available RECs from Committed Supply to BGS-CIEP and BGS-FP Suppliers. Any generation from ACE's Committed Supply that qualifies as a Class I or Class II renewable resource will be credited on a pro-rata basis to winning BGS-FP and BGS-CIEP Suppliers.

RECO will not make available any RECs to BGS Suppliers.

Historical data regarding the energy from Committed Supply for PSE&G, JCP&L and ACE is available under “Energy from Committed Supply” on the “Additional Data” page of the BGS Data Room: <http://www.bgs-auction.com/bgs.dataroom.occ.asp>.