

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 attributes from Committed Supply. These elements are part of each EDC's Final Company Specific Addendum filed on November 16, 2007 in compliance with the decisions taken by the Board at its agenda meeting of November 8, 2007 and approved on November 28, 2007 (see <http://www.bgs-auction.com/bgs.auction.regproc.asp>).

For more detailed information on requirements from the RPS and each EDC's proposal, please see Section G of the General Information portion of the Bidder Information Packet distributed at the December 7, 2007 Bidder Information Session. This packet is available at: <http://www.bgs-auction.com/bgs.bidinfo.ip.asp>.

Reporting

As described in each EDC's Final Company Specific Addendum approved on November 28, 2007, the EDCs will assist BGS Suppliers in meeting the reporting requirements for the RPS by submitting the annual compliance reports. The EDCs will submit the required annual compliance reports on behalf of BGS-FP and BGS-CIEP Suppliers. Each BGS-FP and BGS-CIEP Supplier will be responsible for meeting the renewable energy requirements associated with the tranches it serves, and each BGS-FP and BGS-CIEP Supplier will be responsible for submitting sufficient information, consistent with the requirements set forth at N.J.A.C. 14:8-2.11, to the EDCs for them to prepare the required annual compliance reports.

Renewable Energy Certificates

PSE&G, JCP&L and ACE will, to the extent permitted by applicable regulatory and contractual provisions and applicable law, make available to BGS-FP Suppliers RECs from committed supply, including supply from non-utility generators ("NUGs"). ACE will also make available RECs from committed supply to BGS-CIEP Suppliers.

The Board issued an Order on April 20, 2005 concluding that the EDCs are entitled to the RECs from the NUGs. This Order is not subject to further appeal. By a decision dated January 10, 2007, the Appellate Division of the New Jersey Superior Court affirmed the Board's determination.