

Agenda Date: 4/18/19 Agenda Item: 2C

STATE OF NEW JERSEY

Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

		ENERGY
IN THE MATTER OF THE PROVISION OF BASIC GENERATION SERVICE (BGS) FOR THE PERIOD	2)	DECISION AND ORDER
BEGINNING JUNE 1, 2020)	DOCKET NO. ER19040428

Parties of Record:

Joseph A. Shea, Esq., on behalf of Public Service Electric and Gas Company Gregory Eisenstark, Esq., Windels Marx Lane & Mittendorf, LLP, 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 Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

The Board issued Orders in Docket No. ER17040335 dated November 21, 2017 and Docket No. ER18040356 dated November 19, 2018, which approved, with modifications, the joint Basic Generation Service ("BGS") proposals of the State's Electric Distribution Companies ("EDCs") — Atlantic City Electric Company ("ACE"), Jersey Central Power & Light Company ("JCP&L"), Public Service Electric and Gas Company ("PSE&G") and Rockland Electric Company ("Rockland") — that used a descending clock auction format to procure two-thirds of the State's BGS requirements for Residential and Small Commercial Pricing ("RSCP") customers for the period beginning June 1, 2020 and ending May 31, 2021. In those prior Orders, the Board did not address how the remaining BGS requirements for RSCP customers, as well as the State's annual BGS requirements for Commercial and Industrial Energy Pricing ("CIEP") customers, would be procured for this period.¹

¹ If the EDCs continue to propose a three year rolling product as in the past, the BGS RSCP requirements procured for the period beginning June 1, 2019 will supply one-third of the BGS RSCP load for the period June 1, 2019 through May 31, 2022.

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Prior Board Orders also approved a process for Rockland to procure the capacity and energy needs of its Central and Western Divisions, where previous purchases of capacity and energy were from the New York Independent System Operator ("NYISO"). Going forward and to the extent not previously addressed by the Board, Rockland will need to address the procurement of capacity and energy needs for those regions in its company specific proposal.

The process adopted by the Board to determine how to procure BGS for the past 18 years has provided an opportunity for participation by all interested parties through both written comments and at public hearings. These procedures have resulted in a wide range of BGS suggestions, a timely Board decision and, ultimately, a successful procurement process. Accordingly, the Board intends to initiate a proceeding to determine the best procurement process for BGS-RSCP and BGS-CIEP requirements, and the capacity needs of Rockland's non-PJM service area within New Jersey, for the period beginning June 1, 2020. This proceeding is similar to the process employed for the past 18 years. The proceeding will include an invitation for all parties to propose how to procure BGS supply, the ability for all parties to issue discovery, provide written comments to the Board, and provide oral testimony at both 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 2019, a BGS procurement process in February 2020, and a Rockland process for its non-PJM service area's capacity needs.

Therefore, the Board <u>DIRECTS</u> the EDCs - ACE, JCP&L, PSE&G and Rockland - to file proposals no later than July 1, 2019, 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, 2020 and <u>DIRECTS</u> Rockland to file a proposal as part of its July 1, 2019 BGS filing to procure the BGS capacity requirements for its non-PJM service area within New Jersey for the period beginning June 1, 2020. In addition, the Board also invites all other interested stakeholders to file alternative BGS proposals with the Board by July 1, 2019.

Furthermore, the Board <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 also be electronically served via email to parties on the attached electronic service list. Parties wishing to be added to the electronic service list may do so by emailing Stacy Peterson at stacy.neterson@bpu.nj.gov.

All parties should adhere to the attached schedule unless otherwise directed. Parties will be advised of the time and place of the legislative-style 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 become effective April 28, 2019.

DATED: 4/18/19

BOARD OF PUBLIC UTILITIES

BY:

JOSEPH L. FIORDALISO PRESIDENT

COMMISSIONER

DIANNE SOLOMON COMMISSIONER

COMMISSIONER

COMMISSIONER

ATTEST:

SECRETARY

ATTACHMENT A

Preliminary 2020 BGS Schedule

DATE	Activity or Decision Point
7/01/2019	Filing of Proposals and/or Modifications for BGS for the period beginning June 1,
	2020
7/22/2019	Discovery request deadline
8/5/2019	Discovery response deadline
9/4/2019	Deadline for Initial Comments on all proposals
TBA	Legislative-type Hearing*
TBA	Public Hearings*
10/4/2019	Deadline for Final Comments**
Nov. 2019	Expected Board decision on BGS proposals
Dec 2019	EDC Compliance Filings
Dec. 2019	Expected Board decision on Compliance Filings
Feb. 2020	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 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.

DOCKET NO. ER19040428 Service List

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IN THE MATTER OF THE PROVISION OF BASIC GENERATION SERVICE (BGS) FOR THE PERIOD BEGINNING JUNE 1, 2019

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