Glossary

Defined terms used in the Application Form and these notes to the Application Form shall have the meaning given to such terms in the BGS-RSCP or BGS-CIEP Auction Rules; definitions for such terms are summarized here for convenience. Other terms are also defined below.

Advisor: An Advisor is an entity or person(s) who will be advising or assisting the bidder with respect to bidding strategy for a BGS Auction, estimation of the value of any tranche, or the estimation of the risks associated with providing supply for any tranche.

Applicant's Authorized Representative: The Authorized Representative is the only person authorized to designate a person other than himself or herself to submit bids in the BGS-RSCP Auction, or the BGS-CIEP Auction, or both. Before the auctions take place the Authorized Representative will receive all documentation related to the auction or auctions for which the Applicant becomes a Registered Bidder, including auction procedures manuals and confidential information required to submit bids in the trial auction and in the auction or auctions themselves. The Authorized Representative is the only person authorized to distribute auction procedures manuals and confidential information to other representatives of the Applicant. The Authorized Representative must ensure that only authorized persons act on behalf of the Applicant in the Auction Process.

Applicant's Legal Representative in New Jersey: The Applicant's Legal Representative in New Jersey is legal counsel or a representative agent that has an address in New Jersey and is authorized and agrees to accept service of process on the Applicant's behalf.

Association: A relationship that a party participating in one auction may have with another party participating in the same auction, as defined in the BGS-RSCP Auction Rules and the BGS-CIEP Auction Rules.

Auction Rules: See BGS-RSCP Auction Rules or BGS-CIEP Auction Rules.

BGS Auction Manager: The person retained by the EDCs to manage the Auction Process under the Board's oversight.

BGS-CIEP Auction Rules: The BGS-CIEP Auction Rules describe the process, as approved by the Board, by which Bidders submit bids in the BGS-CIEP Auction, bids are processed, final prices are determined and winners emerge. Please see the document titled "Final BGS-CIEP Auction Rules". This document is posted at https://www.bgs-auction.com/bgs.bidinfo.ar.asp when it becomes available.

BGS-CIEP Supplier Master Agreement: The BGS-CIEP Supplier Master Agreement is the standard contract, approved by the Board, which will be used by the winners of the BGS-CIEP Auction and the EDCs. Please see the document titled "Final BGS-CIEP Supplier Master Agreement". This document is posted at https://www.bgs-auction.com/bgs.bidinfo.cc.asp when it becomes available.

BGS-CIEP Tranche: A BGS-CIEP tranche for an EDC is a full-requirements tranche. A tranche for an EDC is a fixed percentage share of the BGS-CIEP Load of that EDC for the period June 1, 2026 to May 31, 2027. The tranche size of an EDC is the percentage share of the BGS-CIEP Load of the EDC corresponding to approximately 75 MW of CIEP Peak Load Share. The BGS-CIEP tranche size was announced on November 14, 2025.

BGS-RSCP Auction Rules: The BGS-RSCP Auction Rules describe the process, as approved by the Board, by which Bidders submit bids in the BGS-RSCP Auction, bids are processed, final prices are determined and winners emerge. Please see the document titled "Final BGS-RSCP Auction Rules". This document is posted at https://www.bgs-auction.com/bgs.bidinfo.ar.asp when it becomes available.

BGS-RSCP Supplier Master Agreement: The BGS-RSCP Supplier Master Agreement is the standard contract, approved by the Board, which will be used by the winners of the BGS-RSCP Auction and the EDCs. Please see the document titled "Final BGS-RSCP Supplier Master Agreement". This document is posted at https://www.bgs-auction.com/bgs.bidinfo.cc.asp when it becomes available.

BGS-RSCP Tranche: A BGS-RSCP tranche for an EDC is a full-requirements tranche. A tranche for an EDC is a fixed percentage share of the BGS-RSCP Load of that EDC for a three-year term from June 1, 2026 to May 31, 2029. The tranche size of an EDC is the percentage share of the BGS-RSCP Load of the EDC corresponding to approximately 100 MW of RSCP Peak Load Share. The BGS-RSCP tranche size was announced on November 14, 2025.

Bid Bond for the BGS-CIEP Auction: Issued by an approved surety company to a Qualified Bidder prior to the BGS-CIEP Auction. The standard form of the Bid Bond for the BGS-CIEP Auction is available from the BGS Auction Manager upon request.

Bid Bond for the BGS-RSCP Auction: Issued by an approved surety company to a Qualified Bidder prior to the BGS-RSCP Auction. The standard form of the Bid Bond for the BGS-RSCP Auction is available from the BGS Auction Manager upon request.

Bidding Agreement (Bidding Arrangement): Any agreement between two or more parties, each of whom intends to participate in the same auction, namely the BGS-RSCP Auction or the BGS-CIEP Auction, to share information relative to the bidding strategy in the auction, to share information regarding round results, to agree upon bids, to agree upon bidding strategy or to coordinate bids during the auction.

Bidding Consortium: A group of separate businesses or business people joining together to submit joint bids in the same auction (either the BGS-RSCP Auction or the BGS-CIEP Auction). A set of companies joining together to supply BGS-RSCP Load or BGS-CIEP Load, with each providing different expertise or components.

Board: The New Jersey Board of Public Utilities.

Confidential Information: There are two types of Confidential Information. Confidential Information relative to the bidding strategy means information relating to a bidder's bid, whether in writing or verbally, which if it were to be made public would be likely to have an effect on any of the bids that another bidder would be willing to submit at the auction. Confidential Information regarding the Auction Process means information that is not released publicly by the Board or the BGS Auction Manager and that a bidder acquires as a result of participating in the Auction Process, whether in writing or verbally, which if it were to be made public could impair the integrity of current or future auctions, impair the ability of the EDCs to hold future auctions, harm consumers, or injure bidders or Applicants. Please consult the BGS-RSCP or BGS-CIEP Auction Rules for a more detailed description of Confidential Information.

Current Assets: A balance sheet item which equals the sum of cash and cash equivalents, accounts receivable, inventory, marketable securities, prepaid expenses, and other assets that could be converted to cash in less than one (1) year.

Current Liabilities: Amount owed for salaries, interest, accounts payable and other debts due within one (1) year.

Current Ratio: A measure of a company's ability to meet short-term debt obligations. Calculated by dividing current assets by current liabilities.

EBITDA: EBITDA is used to analyze a company's operating profitability before non-operating expenses (such as interest and "other" non-core expenses) and non-cash charges (depreciation and amortization). Calculated from earnings before the deduction of interest expenses, taxes, depreciation, and amortization.

EDC: Electric Distribution Company.

EDC Load Cap (BGS-RSCP Auction): An EDC Load Cap in the BGS-RSCP Auction is a maximum number of tranches that any one bidder can bid and win for that EDC. The EDC Load Caps were announced on November 14, 2025. (Also see Statewide Load Cap.)

Fixed Assets [Plant]: A measure of long-term, tangible assets held for business use and not expected to be converted to cash in the current or upcoming fiscal year, such as manufacturing equipment, real estate, and furniture.

Indicative Offer: An indicative offer for an auction is the number of tranches that the Qualified Bidder is willing to supply at the Maximum Starting Price and the number of tranches that the Qualified Bidder is willing to supply at the Minimum Starting Price for that auction. A Qualified Bidder's indicative offer at the Maximum Starting Price for an auction determines the Qualified Bidder's initial eligibility should the Qualified Bidder be registered to bid in that auction.

Joint Venture: An enterprise entered into by two or more people for profit with the purpose of bidding in the auction (the BGS-RSCP Auction or the BGS-CIEP Auction). A joint venture has most of the elements of a partnership, such as shared management, the power of each venturer to bind the others in the business, division of profits and joint responsibility for losses.

However, unlike a partnership, a joint venture anticipates a specific area of activity and/or period of operation, so after the purpose is completed, bills are paid, profits (or losses) are divided, and the joint venture is terminated.

Letter of Credit (Pre-Auction) for the BGS-CIEP Auction: Issued by a bank with a minimum senior unsecured debt rating of "A" from S&P Global Ratings or "A2" from Moody's. The Pre-Auction Letter of Credit must be in the amount of $375,000 per tranche of the BGS-CIEP Qualified Bidder's indicative offer at the Maximum Starting Price. The Pre-Auction Letter of Credit may be drawn if the bidder: a) has made a material omission or misrepresentation in the Part 1 Application or the Part 2 Application submitted to participate in the BGS-CIEP Auction; or has violated the BGS-CIEP Auction Rules; or b) has a winning bid in the BGS-CIEP Auction and fails to execute the BGS-CIEP Supplier Master Agreement within three (3) business days of the certification of the BGS-CIEP Auction results by the Board as specified in the BGS-CIEP Auction Rules; or c) has a winning bid in the BGS-CIEP Auction and fails to meet the creditworthiness requirements of the BGS-CIEP Supplier Master Agreement within three (3) business days of the certification of the BGS-CIEP Auction results by the Board as specified in the BGS-CIEP Auction Rules.

Letter of Credit (Pre-Auction) for the BGS-RSCP Auction: Issued by a bank with a minimum senior unsecured debt rating of "A" from S&P Global Ratings or "A2" from Moody's. The Pre-Auction Letter of Credit must be in the amount of $500,000 per tranche of the BGS-RSCP Qualified Bidder's indicative offer at the Maximum Starting Price. (The Qualified Bidder may submit a Pre-Auction Letter of Credit in the amount of $2,400,000 per tranche of the BGS-RSCP Qualified Bidder's indicative offer at the Maximum Starting Price in lieu of submitting a Letter of Intent to Provide a Guaranty or Letter of Reference.) The Pre-Auction Letter of Credit may be drawn if the bidder: a) has made a material omission or misrepresentation in the Part 1 Application or the Part 2 Application submitted to participate in the BGS-RSCP Auction; or has violated the BGS-RSCP Auction Rules; or b) has a winning bid in the BGS-RSCP Auction and fails to execute the BGS-RSCP Supplier Master Agreement within three (3) business days of the certification of the BGS-RSCP Auction results by the Board as specified in the BGS-RSCP Auction Rules; or c) has a winning bid in the BGS-RSCP Auction and fails to meet the creditworthiness requirements of the BGS-RSCP Supplier Master Agreement within three (3) business days of the certification of the BGS-RSCP Auction results by the Board as specified in the BGS-RSCP Auction Rules.

Long-term Debt [Funded Debt]: An obligation having a maturity of more than one (1) year from the date it was issued.

Maximum Starting Price: The Maximum Starting Price is a statewide price. For the BGS-CIEP Auction, the Maximum Starting Price is quoted in $/MW-day, while for the BGS-RSCP Auction, the Maximum Starting Price is quoted in ¢/kWh. The Maximum Starting Price for each auction was announced on November 14, 2025. In the first round of an auction, each EDC-specific Starting Price will be no higher than the statewide Maximum Starting Price for that auction.

Minimum Starting Price: The Minimum Starting Price is a statewide price. For the BGS-CIEP Auction, the Minimum Starting Price is quoted in $/MW-day, while for the BGS-RSCP

Auction, the Minimum Starting Price is quoted in ¢/kWh. The Minimum Starting Price for each auction was announced on November 14, 2025. In the first round of each auction, each EDC-specific Starting Price will be no lower than the statewide Minimum Starting Price for that auction.

Pre-Auction Security: In the BGS-CIEP Auction, Pre-Auction Security consists of the Pre-Auction Letter of Credit. In the BGS-RSCP Auction, Pre-Auction Security consists of the Pre-Auction Letter of Credit and, if necessary, a Letter of Reference or a Letter of Intent to Provide a Guaranty. A Qualified Bidder in the BGS-RSCP Auction is notified upon qualification whether a Letter of Reference or a Letter of Intent to Provide a Guaranty is required.

Product: A product is the relevant BGS load (i.e., BGS-RSCP or BGS-CIEP load) for one (1) EDC for a given term. The term for a product in the BGS-CIEP Auction is one (1) year (June 1, 2026 to May 31, 2027). The term for a product in the BGS-RSCP Auction is three (3) years (June 1, 2026 to May 31, 2029).

Qualified Bidder: An Applicant that has been approved to submit a Part 2 Application based on financial and other qualifications submitted in the Part 1 Application. Applicants qualify separately for the BGS-RSCP Auction and the BGS-CIEP Auction.

Registered Bidder: A Qualified Bidder that has been approved to participate in an auction based on requirements submitted in the Part 2 Application. Qualified Bidders register separately for the BGS-RSCP and the BGS-CIEP Auctions.

Same Entity: For purposes of an auction (either the BGS-RSCP Auction or the BGS-CIEP Auction), an entity no longer remains the Same Entity if, during the period between the qualification of bidders and three (3) business days after the Board renders a decision on the results of that auction, the entity consolidates into, amalgamates into, or merges into another corporate entity, regardless of whether such an event leads to a change in the entity's legal or trade name.

Starting Prices: The Starting Prices (or EDC-specific Starting Prices) are the going prices in effect during the bidding phase of the first round. Each EDC-specific Starting Price will be set no lower than the Minimum Starting Price and no higher than the Maximum Starting Price. The Starting Prices are released to Registered Bidders for an auction three (3) business days before the start of that auction.

Statewide Load Cap: The Statewide Load Cap for an auction (either the BGS-RSCP Auction or the BGS-CIEP Auction) is a statewide maximum number of tranches that any one bidder can bid and win statewide in that auction. The Statewide Load Caps were announced on November 14, 2025.

Total Capital: Is made up of long-term debt, short-term debt, preferred stock, common stock and retained earnings.

Total Debt: Long-term debt (including amounts for operating lease debt equivalent) plus current maturities, commercial paper and other short term borrowings.

Tranche: See BGS-RSCP Tranche or BGS-CIEP Tranche.

Website: The website for information about the BGS Auction is https://bgs-auction.com/ and the website for submission of application materials is https://www.bgs-application.com/.