

Basic Generation Service (BGS) Load

Statewide Auction Process

October 03, 2019

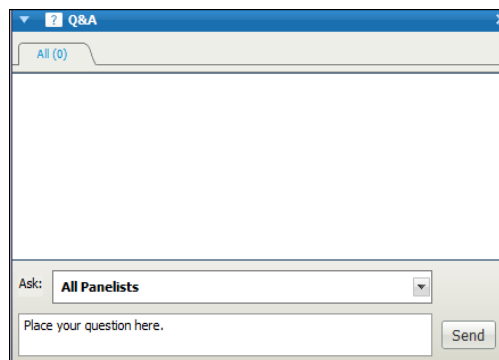
bgs-auction.com

NEW JERSEY STATEWIDE BASIC GENERATION SERVICE ELECTRICITY SUPPLY AUCTION



HOW TO ASK A QUESTION

- **Questions are taken in writing through the WebEx interface:**
 - Locate the “Q&A” on the right hand side of your screen
 - Select “All Panelists” in the “Ask” box
 - Type in your question
 - Click “Send” to submit your question



DISCLAIMER

- **Disclaimer.**

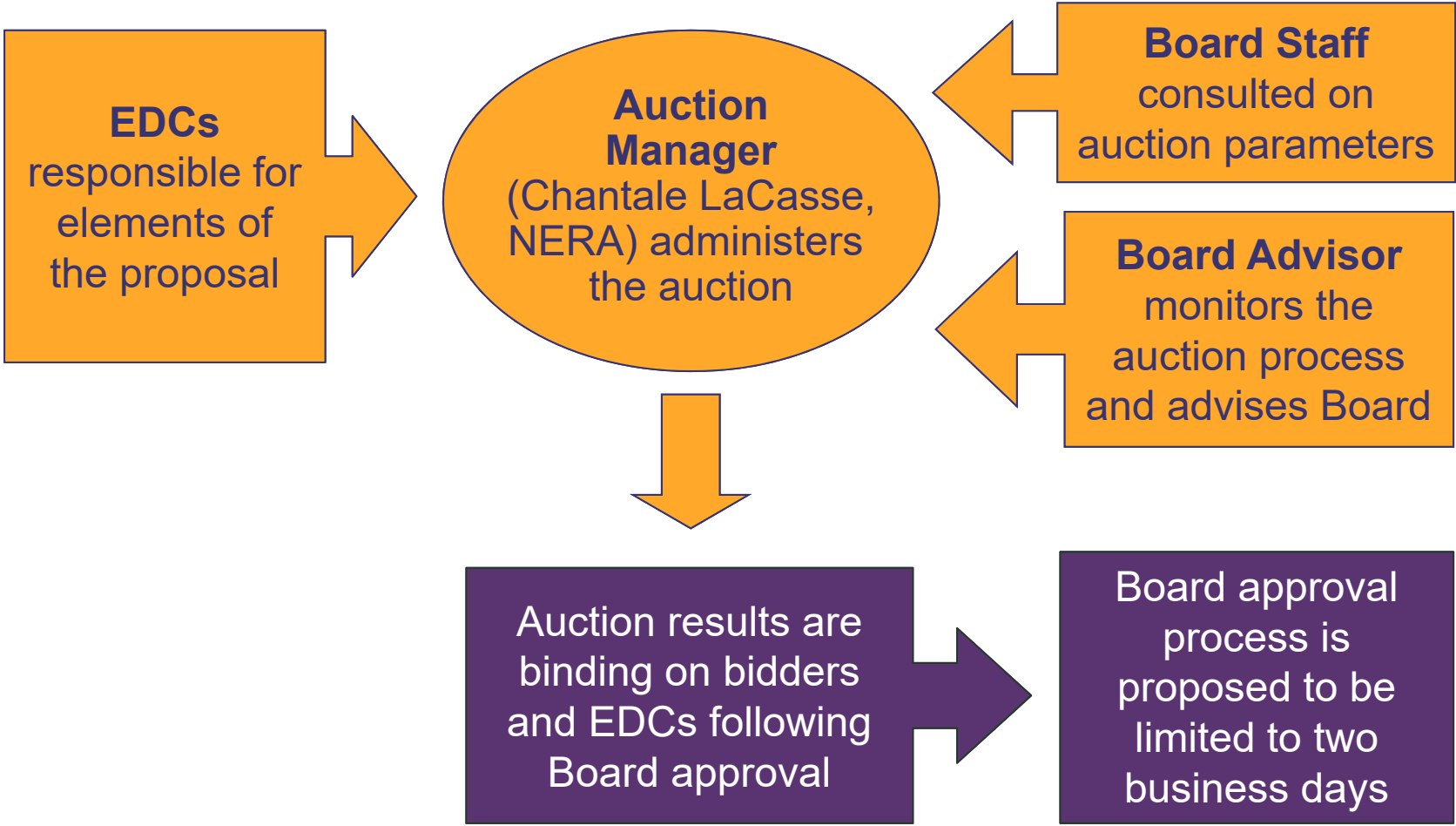
Any statements herein describing or referring to documents and agreements are summaries only, and are **qualified in their entirety** by our reference to the governing documents, which are all of the documents included in the EDCs' July Filing dates July 01, 2019, posted to the *BGS Proceeding page* of the *Auction tab* on the *BGS Auction website*, www.bgs-auction.com :

- **Joint Proposal**
- **BGS-CIEP and BGS-RSCP Provisional Auction Rules**
- **BGS-CIEP and BGS-RSCP Supplier Master Agreements**
- **Each EDC's Company-Specific Addendum, including draft tariff sheets and pricing factors**

THE PRESENTATION WILL COVER:

- Roles
- Overview of the EDCs' Proposal (July Filing)
- Products and the Supplier's Role
- Overview of Bidding in the Auctions
- Auction Process
- Application Process
- BGS Auction Website and Other Sources of Information

ROLES



1. OVERVIEW OF JULY FILING

THE BGS AUCTION HAS BEEN IN USE SINCE 2002

Two essential goals of the Auction Process:

- To procure supply for Basic Generation Service (“BGS”) customers at a cost consistent with market conditions
- To enable the participation of a broad spectrum of entities, including energy trading and marketing companies, by aggregating a portfolio of wholesale products and providing price-risk management services

BUILDING BLOCKS HAVE BEEN STABLE OVER THE YEARS

- There is a **single statewide process**: Offers for all BGS Load (not already procured) solicited in one process
- Products are **full requirements tranches**: Participants bid to provide all components of supply to serve BGS customers (energy, transmission, capacity, ancillary services, RECs and SRECs, as well as any other services that may be required by PJM)
- Auction format is a **Descending Clock Auction**: Prices tick down as long as there are more bids than the supply needed
- **Contingency plan**: Any supply not procured at auction to be purchased through PJM-administered markets

TWO TYPES OF CUSTOMERS / TWO AUCTIONS

- **BGS-CIEP Auction:** Larger customers on an hourly price plan
 - Auction determines a CIEP Price in \$/MW-day that suppliers are paid on the basis of the capacity obligation
 - Suppliers are paid for energy at the real-time hourly spot price and pre-determined rates for some of the other components of supply
 - Suppliers also paid the CIEP standby fee levied on all CIEP customers
 - **1-year supply period: June 1, 2020 to May 31, 2021**
 - **4 products:** the BGS-CIEP load for each EDC
- **BGS-RSCP Auction:** Smaller customers on a stable price
 - Auction determines all-in price in ¢/kWh
 - Suppliers are paid this price for every kWh of load served
 - **3-year supply period: June 1, 2020 to May 31, 2023**
 - **4 products:** the BGS-RSCP load for each EDC

CUSTOMER RATES BASED ON AUCTION PRICES

BGS-RSCP

- **Auction prices determine an average cost** for each EDC
 - **Seasonally-adjusted:** average of winter and summer costs
 - **Tranche-weighted:** average of prices from three auctions
- **Ratios translate average cost into rates:**
 - All classes have seasonal rates
 - Some classes also have time-of-day rates

BGS-CIEP

- Auction determines a final CIEP price which **customers pay** on the basis of their capacity obligation
- **Customers also pay**
 - The real-time **hourly spot price** for energy
 - A pre-determined EDC-specific **ancillary services rate**
 - A pre-determined EDC-specific **transmission rate**
 - The option fee (**CIEP standby fee**)

THE EDCs PROPOSE THE FOLLOWING CHANGES FOR THE 2020 BGS AUCTIONS

- **Auction Timeline:**
 - Application process and deadlines will fall entirely in January 2020 instead of starting in December 2019

- **Auctions Conducted Simultaneously:**
 - Auctions will start at the same time on the same day
 - Bids for both Auctions will be submitted during the same bidding phases

- **RPS Compliance under the SMAs:** BGS Suppliers must either:
 - Provide RECs and SRECs to the EDCs after each of the first three quarters of the Energy Year; or
 - Post collateral for the value associated with such RECs and SRECs

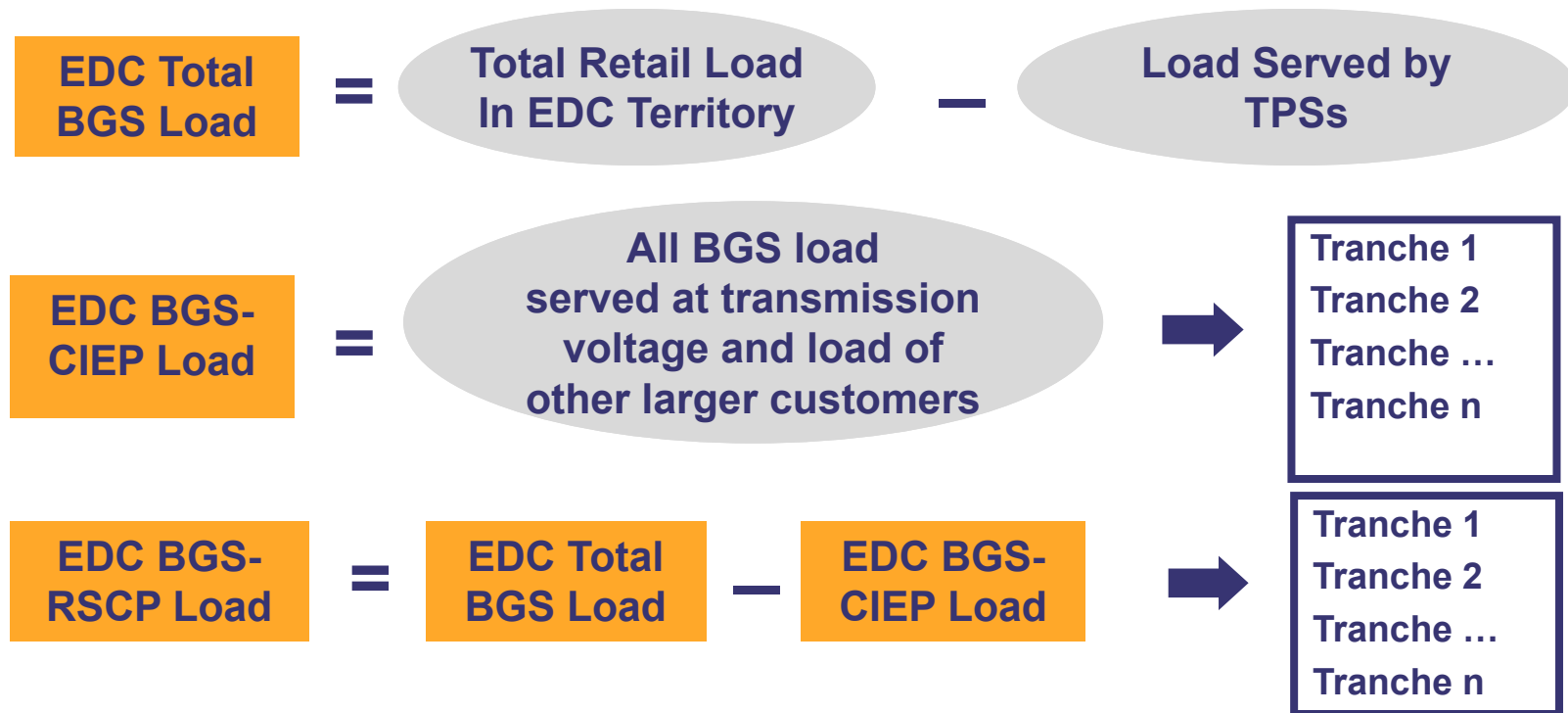
THE EDCs HAVE FILED A JOINT MOTION TO EXTEND THE PERIOD FOR FINAL COMMENTS

- **Status of BGS proceeding:**
 - EDCs filed their proposal on July 1
 - Parties filed Initial comments on September 4 and/or provided their oral remarks to the Board at the September 19
 - On October 2, the EDCs filed a joint motion to extend the deadline for final comments from October 4 to a date to be determined by the Board
 - The purpose of the request to extend is to allow parties to consider enhancements to their proposal that the EDCs will propose

- **These enhancements intended to address concerns related to unknown capacity prices for Energy Year 2023**
 - The EDCs will submit an amended filing by Tuesday, October 8
 - The amended filing will be posted to the BGS Auction website

2. PRODUCTS AND THE SUPPLIER'S ROLE

LOAD DIVIDED INTO TRANCHES



- BGS customers are **free to come and go from BGS** with appropriate **notice to the EDC** (13 days before next scheduled meter reading date)
- BGS Suppliers are **Load Serving Entities** for a percentage of an EDC's load with a role like a Third Party Supplier

THE BGS-CIEP PRODUCTS

- The CIEP load is expected to be about 3,000 MW on an eligible basis
- A **tranche** is a fixed percentage of BGS-CIEP Load for an EDC that represents approximately 75 MW on an eligible basis

Tranche Targets and Sizes (provisional)				
EDC	CIEP Peak Load Share (MW)	Number of Tranches	Tranche Size (%)	MW-Measure (MW)
PSE&G	1,826.78	24	4.17	76.12
JCP&L	886.45	12	8.33	73.87
ACE	301.60	4	25.00	75.40
RECO	56.00	1	100.00	56.00
Total		41		

CIEP MIGRATION IS SUBSTANTIAL

- As of **August 2019** there was substantial switching by CIEP customers to Third Party Suppliers

Migration Among CIEP Customers						
EDC	Accounts			Load (MW)		
	Total	Switching	%	Total	Switching	%
PSE&G	1,885	1,299	68.91%	2,190.60	1,735.80	79.24%
JCP&L	882	633	71.77%	852.30	744.78	87.38%
ACE	225	184	81.78%	313.61	248.85	79.35%
RECO	65	59	90.22%	54.00	52.19	96.65%
Statewide	3,057	2,175	71.14%	3,410.52	2,781.62	81.56%

BGS-CIEP SUPPLIER REWARDS AND RISKS

- **Supplier** provides full requirements service with energy priced at the real-time market
- **Supplier is paid the auction-determined CIEP price** for the BGS-CIEP customers' capacity obligation, the **CIEP standby fee** levied on all CIEP customers at retail meter, the real-time hourly spot **price for energy** at the EDC zone, and **pre-determined EDC-specific rates** for ancillary services and transmission

Rewards

- Stable revenue on entire CIEP customer base via CIEP Standby Fee
- Ability to arbitrage day-ahead and real-time markets

Risks

- Migration / return risks
- Ancillary services cost risk

THE BGS-RSCP PRODUCTS

- The RSCP load is expected to be about 4,575 MW on an eligible basis
- A **tranche** is a fixed percentage of BGS-RSCP Load for an EDC that represents about 100 MW on an eligible basis

Tranche Targets and Sizes				
EDC	RSCP Peak Load Share (MW)	Tranche Target	Tranche Size (%)	MW-Measure (MW)
PSE&G	2,487.79	28	1.18	88.85
JCP&L	1,221.58	15	1.82	81.44
ACE	705.53	8	4.55	88.19
RECO	160.98	2	25.00	80.49

RSCP MIGRATION IS ALSO SUBSTANTIAL AMONG LARGER CUSTOMERS

- Among larger RSCP customers (400-499 kW) migration is similar to CIEP
- Residential migration is approximately 13% statewide
- Switching data updated monthly in the BGS Data Room

Migration Among RSCP Customers 400kW to 499kW

EDC	Accounts			Load (MW)		
	Total	Switching	%	Total	Switching	%
PSE&G (8/1/19)	380	291	76.58%	168.10	128.28	76.31%
JCP&L (8/31/19)	198	173	87.37%	88.38	77.40	87.57%
ACE (8/1/19)	53	49	92.45%	23.09	21.38	92.58%
RECO (8/1/19)	7	6	85.71%	3.22	2.74	85.07%
Statewide	638	519	81.35%	282.79	229.80	81.26%

BGS-RSCP SUPPLIER ROLE AND RISKS

- **Wholesale Sources include:** Generation owners in PJM or in adjoining regions, wholesale marketers, financial and OTC power and gas markets, PJM markets, weather derivatives markets

Role

- Aggregate supply portfolio from wholesale sources
- Assess and price load variability, market price volatility and migration risk
- Provide price-risk management services

Risks

- Migration / return risk
- Load and weather risks
- Fuel price risk
- Longer-term changes to RSCP class composition
- Change to rate design

3. SUPPLIER MASTER AGREEMENT

BGS SUPPLIER MASTER AGREEMENT

- Contract is between BGS Supplier and EDC acting as agent for retail customers
- Final Agreements will be approved by Board prior to the Auction and will be **non-negotiable**
- Opportunities for comments during the regulatory proceeding

September 04, 2019

Deadline for initial comments

September 19, 2019

Legislative-type Board Hearing

TBD

Deadline for final comments

QUARTERLY COMPLIANCE WITH RPS

- Suppliers must **register with GATS** and open a Retail LSE Account to be able to transfer RECs and SRECs to the EDCs
- BGS Suppliers are responsible for fulfilling RPS during supply period
 - Compliance with Class I and II requirements and solar must be demonstrated **using RECs** issued by PJM-EIS GATS
 - The EDCs propose that BGS Suppliers either **provide RECs and SRECs** to EDCs after each of the first three quarters of the Energy Year or post collateral for the value of such RECs and SRECs

SOLAR OBLIGATIONS UNDER CLEAN ENERGY ACT

- BGS contracts executed prior to the enactment of the Act are **exempt** from the increased solar percentage requirement
- The increased solar obligations avoided by exempt BGS contracts in an Energy Year are allocated to non-exempt BGS contracts in the following two EYs in equal proportions
- **For example**, the increased solar obligations avoided by exempt BGS contracts in EY 2020 is made up by non-exempt BGS contracts in EY 2021 and non-exempt BGS contracts in EY 2022 (in equal proportions)

CLASS I OBLIGATIONS UNDER CLEAN ENERGY ACT

- The Act specified that Class I obligations would increase to 21% on January 1, 2020, 35% percent by January 1, 2025, and 50% by January 1, 2030
- The Board Order from December 2018 specified the way in which Class I obligations increases each energy year
- Fulfillment of solar obligations for **non-exempt BGS contracts** will be counted toward the Class I requirement
- Class I RECs are no longer eligible to be counted toward the Class II requirement
- The BGS Auction Manager will make available to bidders an example of the calculation of obligations

CREDIT PROVISIONS

- **BGS-CIEP** – Credit Exposure is \$70,000/tranche
- **BGS-RSCP** – Two separate requirements
 - Mark-to-Market requirement
 - Independent credit requirement is \$2.4M/tranche at beginning of supply period and declines over the term of the contract
- **Two separate unsecured lines of Credit** on a sliding scale
 - Depend on credit rating and TNW
 - Security can be in the form of a guaranty, letter of credit, or cash
- **Unsecured credit line and credit limits** depend on all BGS obligations
 - Credit limit set together for RSCP Mark-to-Market, CIEP credit exposures, and RPS Exposure
- **Total Exposure Amount** – Includes any RPS Exposure (\$2 per undelivered Class II REC, \$5 per undelivered Class 2 REC, and 85% of the SACP per undelivered SREC)

SECTION 15.9 OF THE SMAs: CHANGES IN TRANSMISSION-RELATED CHARGES

- **Section 15.9** provides for the recovery of, and payment adjustment for, changes in transmission-related charges that occur over the term of the BGS contract
- Upon a **transmission rate change**, the EDCs file with the Board to collect any increase in transmission rates from customers for the benefit of BGS Suppliers
- The *Transmission* page of the *Auction* tab on the BGS Auction website provides the EDC filings as well as the **Board Orders** in this regard

4. OVERVIEW: BIDDING IN THE AUCTION

PROPOSED AUCTION FORMAT IS A CLOCK AUCTION

- **Multi-product** design
 - Tranches for all EDCs are procured at once
- **Multi-round** design: bidding proceeds in rounds
 - Suppliers state how many tranches they want to supply at prices suggested by the Auction Manager
 - Prices tick down if there is excess supply
 - Suppliers can switch their bids from one EDC to another in a given Auction

BGS-RSCP

“Price” is a ¢/kWh all-in price

BGS-CIEP

“Price” is a \$/MW-day CIEP Price

RSCP EXAMPLE: PRICES TICK DOWN WHEN THERE IS EXCESS SUPPLY

Round 1					
EDC	Price (¢/kWh)	#bid	#to buy	Excess Supply	Oversupply Ratio
PSE&G	15.000	78	28	50	0.714
JCP&L	15.000	32	15	17	0.243
ACE	15.000	10	8	2	0.036
RECO	15.000	2	2	0	0.000

Round 2					
EDC	Price (¢/kWh)	#bid	#to buy	Excess Supply	Oversupply Ratio
PSE&G	14.250	60	28	32	0.533
JCP&L	14.550	35	15	20	0.333
ACE	14.775	10	8	2	0.036
RECO	15.000	6	2	4	0.100

EDCs PROPOSE TO CONDUCT AUCTIONS SEPARATELY BUT SIMULTANEOUSLY

- Auctions conducted simultaneously:
 - Auctions will **start on the same day**
 - Bidding phases in the two Auctions will be **during the same timeframes**
 - **Results for both Auctions** are provided to all bidders
- Auction are otherwise separate:
 - Bidders **qualify separately** for each Auction
 - Bidders can choose to qualify for one Auction and not the other
 - **Load caps apply separately** to each of the Auctions

2019 BGS AUCTIONS VS 2020 BGS AUCTIONS

2019 BGS Auctions

2020 BGS Auctions

Times	BGS-CIEP	BGS-RSCP	Times
8:25am	Round 25 Bidding		8:25am
8:30am			8:30am
8:35am			8:35am
8:40am	8:40am		
8:45am	Round 25 Calculating and Reporting		8:45am
8:50am	Round 26 Bidding		8:50am
8:55am	Round 26 Calculating and Reporting	Round 1 Bidding	8:55am
9:00am		9:00am	
9:05am		9:05am	
9:10am	Round 27 Bidding	Automatic 15min Extension	9:10am
9:15am		9:15am	
9:20am		9:20am	
9:25am	Round 27 Calculating and Reporting	Round 1 Calculating and Reporting	9:25am
9:30am		9:30am	
9:35am		9:35am	
9:37am	Round 28 Bidding	Round 2 Bidding	9:37am
9:45am		9:45am	
9:47am		9:47am	
9:50am		...	9:50am

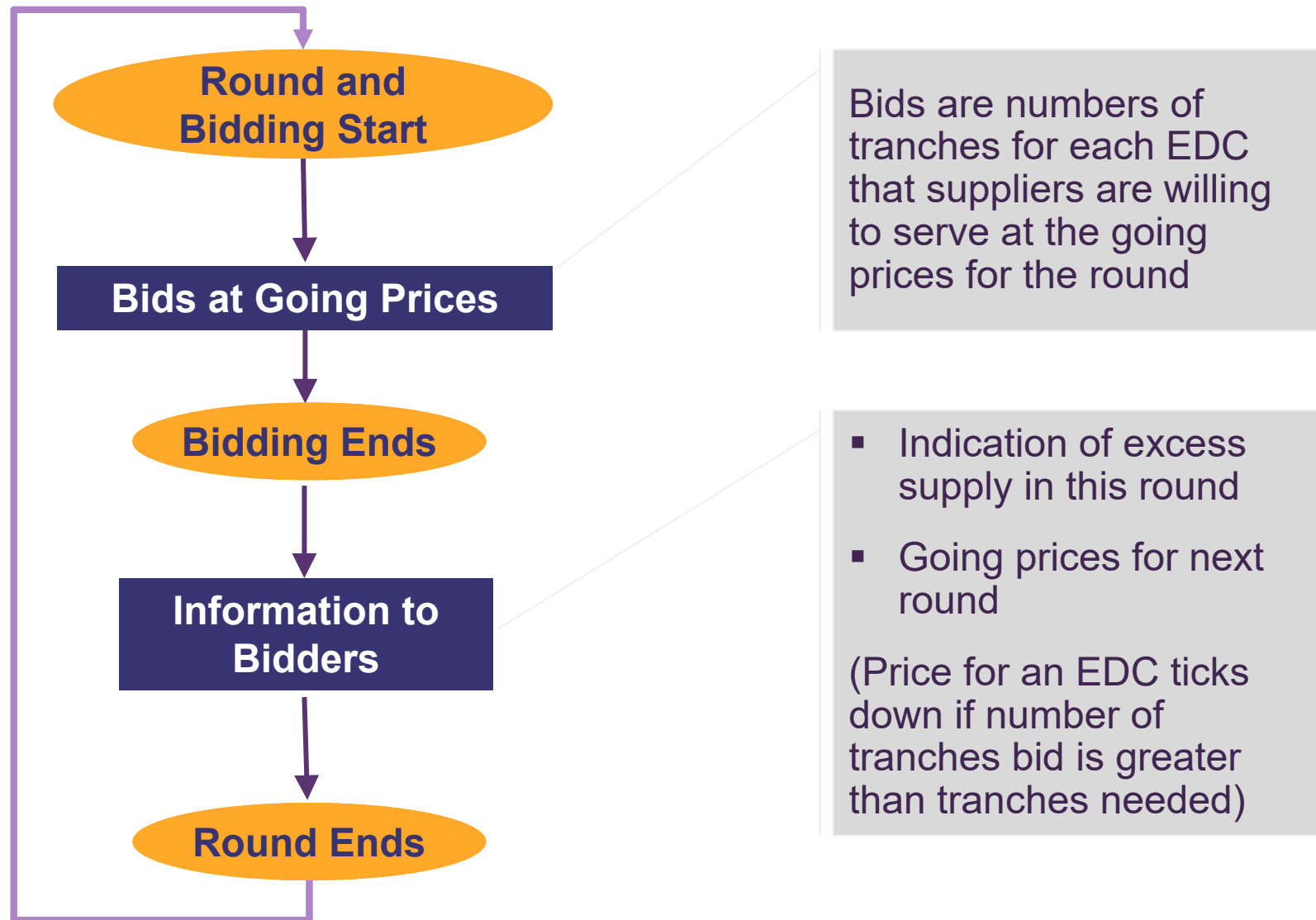
Times	BGS-CIEP	BGS-RSCP	Times
8:25am	Round 1 Bidding	Round 1 Bidding	8:25am
8:30am			8:30am
8:35am			8:35am
8:40am	Automatic 15min Extension	Automatic 15min Extension	8:40am
8:45am			8:45am
8:50am			8:50am
8:55am	Round 1 Calculating and Reporting	Round 1 Calculating and Reporting	8:55am
9:00am			9:00am
9:05am			9:05am
9:10am	Round 2 Bidding	Round 2 Bidding	9:10am
9:15am			9:15am
9:20am			9:20am
9:25am	Round 2 Calculating and Reporting	Round 2 Calculating and Reporting	9:25am
9:30am			9:30am
9:35am			9:35am
9:40am	Round 3 Bidding	Round 3 Bidding	9:40am
9:45am			9:45am
9:50am			9:50am
9:55am	Round 3 Calculating and Reporting	Round 3 Calculating and Reporting	9:55am

This will allow auctions to be conducted on a shortened timeframe

FOUR MAIN AUCTION FEATURES

- **Offers are binding:** If the price on an EDC is not reduced in a round, a bidder cannot reduce the number of tranches bid on that EDC
- **Total number of tranches bid cannot increase:** Bidders can maintain or reduce their total number of tranches bid, but bidders cannot increase the total number of tranches bid from one round to the next
- **Auction closes on all EDCs at once:** Winners are determined for all EDCs at once within each auction
- **Uniform price:** All winners on an EDC receive the same price

TYPICAL ROUND



ROUND 1 BID AND POSSIBLE VOLUME REDUCTION

- In round 1, a **bid** is a number of tranches for each EDC, for each Auction
- Volume is reduced if it is necessary to do so to ensure competitiveness of bidding environment
 - Whether an adjustment is necessary is decided on the basis of interest in the first round of bidding
- If volume must be reduced, it is reduced to:
$$\frac{\text{[# tranches bid]} }{\text{[target eligibility ratio]}}$$
- Ensures sufficient tranches bid for each tranche to be procured

BIDDING IN SUBSEQUENT ROUNDS

- **In response to reduced prices, bidders**
 - Leave bids unchanged
 - Or if price for an EDC has ticked down in an Auction, reduce the number of tranches they wish to provide for that EDC in that Auction by
 - Withdrawing tranches from Auction
 - Bidding those tranches on one other or several other EDCs (switching)
- Bidders cannot increase the total number of tranches on which they bid

SAMPLE ROUND REPORT

Round Report: Round 5			
BGS-RSCP		BGS-CIEP	
Total Excess Supply: 101-105		Total Excess Supply: 76-80	
EDC	Round 6 Price (¢/kWh)	EDC	Round 6 Price \$/MW-day
PSE&G	12.245	PSE&G	429.43
JCP&L	10.456	JCP&L	444.08
ACE	10.987	ACE	404.09
RECO	11.502	RECO	406.69

- Each bidder also gets an individual report about the bidder's own bids
- A bidder has no information about bids or eligibilities of other bidders

AUCTION CLOSES

- One Auction may close before the other
- But an Auction closes for **all EDCs at once**
 - Bidding must have stopped on all EDCs
 - Total excess supply is zero
- **Same final price** for all winners of a given EDC for that Auction

POST-AUCTION

- **Board renders a decision** on auction results within two business days of close of last Auction
 - The Board has the option of rendering a decision on the results of each Auction at different times
- **If Board accepts results: SMAs executed within three business days of Board decision**
 - If any security is required under the creditworthiness standards of the Agreement, it is posted upon execution of the Agreement
 - Pre-auction security “expires” upon execution of the Agreement: certificate of expiration of letter of credit is returned and letter of credit is cancelled
- Power flows on **June 1, 2020**

5. | AUCTION PROCESS

BOARD ORDER IS FINAL WORD ON PROCESS

Approved Rules, Agreements, process and terms may be different than presented here

- Board will decide on all aspects of the EDCs' Proposal
- Board Order will determine if EDCs' Proposal is approved or how it may be amended
- **Bidder is responsible** for reading all final documents which will be provided on the BGS Auction website

AUCTION PROCESS CALENDAR

November 2019	Expected Board Decision on EDCs' Proposal
Nov 13, 2019	Auction Manager announces minimum and maximum starting prices, tranche sizes and load caps
Dec 18, 2019	Part 1 Application made available to Applicants
Jan 09, 2020 by NOON	Part 1 Application deadline (to become a Qualified Bidder)
Jan 22, 2020 by NOON	Part 2 Application deadline (to become a Registered Bidder)
Jan 29, 2020	Auction Manager informs Bidders registered in BGS-CIEP Auction of starting prices
Jan 29, 2020	Auction Manager informs Bidders registered in BGS-RSCP Auction of starting prices
Feb 03, 2020	BGS-CIEP Auction starts (Monday)
Feb 03, 2020	BGS-RSCP Auction starts (Monday)

OPPORTUNITY TO COMMENT ON LETTERS OF CREDIT

- The **Pre-Auction Letter of Credit and Post-Auction Letter of Credit** to be posted today to the Contract & Credit page (bidder info tab) of the BGS Auction website: <http://www.bgs-auction.com/bgs.bidinfo.cc.asp>
 - Each **Qualified Bidder** must provide a **Pre-Auction Letter of Credit** as financial guarantee in an amount proportional to its indicative offer at the maximum starting price with its Part 2 Application
 - **Suppliers** can provide a **Post-Auction Letter of Credit** as security under the SMA
- Previously accepted modifications that remain acceptable will be posted to BGS Auction website

LETTERS OF CREDIT COMMENT PROCESS TIMELINE

- Potential bidders are invited to **propose modifications**
- Comments (clearly **redlined** in Microsoft Word) must be submitted by email to the BGS Auction Manager at the following address: BGS-Auction@nera.com
- For **each proposed modification**, the EDCs will
 - Revise the standard form; or
 - Approve the use of the modification on an optional basis; or
 - Reject the proposed modification

**October 22, 2019
by NOON**

Deadline to provide comments

October 31, 2019

Potential bidders will receive individual responses to their comments

November 04, 2019

BGS Auction Manager will post all modifications that are acceptable on an optional basis

ALTERNATE GUARANTY PROCESS

- For potential bidders that may have corporate policies that prevent them from using the standard form of guaranty appended to the SMA
- Potential bidders planning to participate in the alternate guaranty process must provide an expression of interest to the Auction Manager by Tuesday, **October 22, 2019**
 - Additional deadlines and requirements will be made available to parties that express interest
- There is a specified **list of minimum requirements** that any alternate form of guaranty must satisfy (<http://www.bgs-auction.com/bgs.bidinfo.cc.asp>)
- In particular, the alternate form of guaranty must be for unlimited liability (while the standard guaranty has a liability limit)

6. APPLICATION PROCESS

ONLINE APPLICATION

- Part 1 and Part 2 Applications will be submitted via two separate online forms
- **Almost Completely Online**
 - Provide information
 - Upload supporting documents, including “Inserts”
 - Inserts are separate forms in Microsoft Word that Applicants fill in, sign, scan, and upload to the online form
- **Hardcopies only for credit instruments** required by the Part 2 Application

<https://www.BGS-Application.com>

REQUEST AN ACCOUNT

bgs-application.com
NEW JERSEY STATEWIDE BASIC GENERATION SERVICE ELECTRICITY SUPPLY AUCTION

home **get account** part 1 application part 2 application inserts

get account

Fields marked with a * are required

Name: *

Company: *

E-Mail: *

Position/Title:

Phone Number: *

Alternate Phone Number:

Submit

**Fill out
required fields
and click
submit**

Sent to contact

- Username
- Password
- Application Instructions
- Deadline Information

**Returning Bidders' credentials will be re-issued
Contact us if your main point of contact has changed**

PART 1 REQUIREMENTS ARE SIMPLE

- **Applicant's Contact Information**
 - Authorized Representative and Nominees – the “**Bidder Team**”: represent the Applicant in the Auction
 - All correspondence from Auction Manager is done **electronically** to the Bidder Team
 - Legal Representative in NJ: Agrees to accept service of process
 - Credit Representative: (In-house) can answer credit questions

- **Licensing requirements**
 - No state licensing required
 - BGS Supplier must be an LSE in PJM by start of supply period
 - Applicants **that are not yet BGS Suppliers** show that they are LSEs or certify **using an Insert** that they have no impediments to becoming an LSE in PJM

PART 1 APPLICATION – ARCHITECTURE OF FORM

1. Basic Applicant Information

Name of Applicant

Is the Applicant name the same as the legal or trade name? Yes No

Place of Incorporation (If Applicable)

1. Applicant's most recent SEC Form 10-K; if unavailable, please provide the most recent audited annual financial information (including a balance sheet, income statement, and cash flow statement).

Audited annual financial information. If the information is unavailable, please so state in the Justification of Omissions section.

[Click to Print This Form](#)

**Section 1:
Fill in fields
and radio
buttons**

**Right
toolbar:
useful
docs, save,
and log out**

Section 6: Upload 10K

**Bottom of Form:
Print, Save, Submit**

Useful Documents for the Part 1 Form:

- [Glossary – Part 1 Application](#)
- [Part 1 Application Review Process](#)
- [Application and Login Instructions](#)

[Click here to go to the top of the form.](#)

[Click here to go to the bottom of the form \(Save, Submit\).](#)

THE REQUIREMENTS HAVE NOT CHANGED

■ Financial Information

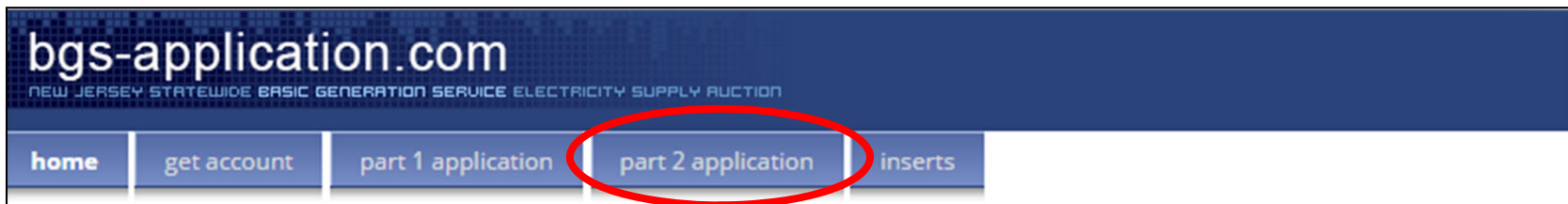
Credit and Application Team uses financial info to determine amount of pre-auction security required in Part 2 Application

- Annual and quarterly financial information
- Senior unsecured debt ratings
- Additional information for entities not incorporated or otherwise formed under the laws of the United States

■ Certifications

- Agree to terms of applicable Supplier Master Agreement
- Agree to applicable Auction Rules
- Agree to confidentiality of list of Qualified Bidders
- Agree not to assign rights as a Qualified Bidder

PART 2 FORM WILL BE AVAILABLE WHEN PART 1 CLOSES



- **Architecture** same as Part 1 Form:
 - Fields/radio buttons
 - Uploads for Inserts (download from “Inserts” page)
 - Toolbar with useful documents
 - Basic functionality (print, save, submit)
- Illustrative forms will be posted to the BGS Auction website

REQUIREMENTS TO BE REGISTERED AS A BIDDER

In the Part 2 Application, Qualified Bidders:

- Make certifications regarding associations and their handling of confidential information
- Provide an indicative offer (number of tranches at the maximum and minimum starting price)
- Provide a financial guarantee proportional to indicative offer at maximum starting price

BGS-RSCP

Financial Guarantee:

- All Qualified Bidders: Letter of credit of **\$500,000 per tranche**
- Some Qualified Bidders provide additional security: Letter of Reference or Letter of Intent to Provide a Guaranty

BGS-CIEP

Financial Guarantee:

- All Qualified Bidders: Letter of credit of **\$375,000 per tranche**
- No other pre-auction security

7.

**BGS AUCTION WEBSITE
AND OTHER SOURCES OF
INFORMATION**

BGS AUCTION WEBSITE FEATURES

- BGS Auction website: www.bgs-auction.com
- Search capability and site map
- Announcements, including alerts to upcoming deadlines and events
- Frequently Asked Questions
- Auction documents
 - Auction Rules
 - Supplier Master Agreements
 - Bidder Materials and presentation
- BGS Data Room

BIDDER QUESTIONS

- Questions may be submitted to the Auction Manager
 - Via web form at:
<http://www.bgs-auction.com/bgs.contactus.asp>
 - By email: BGS-Auction@nera.com
- When needed, the Auction Manager will direct questions to appropriate EDC representatives (e.g., data questions)
- Answers will be routed back through the Auction Manager
- Questions and answers are posted to BGS Auction website

BGS DATA ROOM OVERVIEW

The screenshot shows the BGS Auction website's Data Room page. The header includes the logo 'bgs-auction.com' and a search bar. The navigation menu has options: home, auction, bidder info, calendar, data room, faqs, news, contact us, and application. The 'data room' menu is open, showing options for 'data room home', 'monthly data', and 'additional data'. The main content area is titled 'Data Room Home' and contains a welcome message and detailed information about the data room's purpose and update schedule. A 'What's New' section is also visible on the right side of the page.

bgs-auction.com
NEW JERSEY STATEWIDE BASIC GENERATION SERVICE ELECTRICITY SUPPLY AUCTION

Search:

home ▾ auction ▾ bidder info ▾ calendar data room ▾ faqs ▾ news ▾ contact us ▾ application

data room home
monthly data
additional data

Data Room Home

Welcome to the BGS Data Room.

The BGS Data Room is available to assist prospective electricity suppliers who may wish to participate in the competitive bidding process for Basic Generation Service (BGS). The New Jersey Electric Distribution Companies (EDCs) are providing their own company-specific historical data to market participants. Data items on the [Monthly Data](#) page are typically updated monthly, on or before the 17th of each month. For a description of the data series on the Monthly Data page, click [here](#).

Data items on the [Additional Data](#) page are updated occasionally. For a description of the data series on the Additional Data page, click [here](#).

Each cell in the tables on the Data Room pages contains information

Click here for the Online Application at [BGS-Application.com](#)

What's New

POSTING: BGS-RSCP Pricing Spreadsheet Tool... [GO >>](#)











- Separated into two pages:
 - **Monthly Data** room updated monthly on or before 17th
 - **Additional Data** room updated less frequently

“Data Description” documents can be found at the top of both the Monthly and Additional Data Rooms

MONTHLY DATA ROOM

The **Monthly Data** room contains data in Aggregate, for BGS-CIEP, and for BGS-RSCP, broken out by EDC, including:

- Eligible Hourly Load
- Eligible Peak Load Allocation
- Hourly Load
- Peak Load Allocations
- Switching Statistics

Monthly Data Updates				
Description				
Data Description				
Posted: (Data Through:)	1/30/2019			
Aggregate				
	PSE&G	JCP&L	ACE	RECO East
Total Retail Hourly Load		 		
Posted: (Data Through:)	9/17/2019 (Jun '19)	9/17/2019 (Jun '19) 9/17/2019 (Jun '19)	9/17/2019 (Aug '19)	9/17/2019 (Aug '19)
Total Retail Peak Load Allocations				
Posted: (Data Through:)	9/17/2019 (Aug '19)	9/17/2019 (Aug '19)	9/17/2019 (Aug '19)	9/17/2019 (Aug '19)

DATA METHODOLOGY GENERALLY CONSISTENT ACROSS EDCs








- JCP&L provides **excess generation** data for hourly load files (retail load, BGS, and CIEP)
 - When load data from the BGS Data Room is summed with excess generation, the result is consistent with data reported to PJM
 - This process nets out excess generation from customers that have on-site generation
- **Capacity and Transmission PLAs**
 - PSE&G, ACE and RECO provide unscaled Capacity PLA data with the applicable Daily Zonal Scaling Factors as well as Transmission PLA data that is already scaled
- **JCP&L**
 - Prior to June 1, 2017, Capacity and Transmission PLA data is already scaled
 - Starting June 1, 2017, Capacity and Transmission PLA data is unscaled for Total BGS PLA, BGS-CIEP PLA, and BGS-RSCP PLA, applicable Daily Zonal Scaling Factors are provided

ADDITIONAL DATA ROOM

Data series in the **Additional Data** room have been updated:

- Switching Statistics
- Hourly Data by Customer Groupings
- Additional Data by Customer Groupings
- Retail Rates
- RPS Example
- Miscellaneous

Additional Data prior to June 2016 is now archived at the bottom of the page.

Less Frequent Data Updates				
Description				
Data Description				
Posted: (Data Through:)	9/17/2018			
Switching Statistics				
	PSE&G	JCP&L	ACE	RECO East
Switching Statistics for BGS-CIEP Eligible Customers				
Posted: (Data Through:)	9/17/2019 (Jun '19)			
Switching Statistics by Rate Class				
Posted: (Data Through:)	9/17/2019 (Jun '19)	9/17/2019 (Jun '19)	9/17/2019 (Jun '19)	9/17/2019 (Jun '19)
EDC Municipal Aggregation Enrollment				
Posted: (Data Through:)	9/17/2019 (Jul '19)			

ALSO MADE AVAILABLE TO BIDDERS

- The EDCs make available a list of municipalities that have completed enrollment in a municipal aggregation program
 - Files have been updated with the latest **data update**
 - An additional update will occur in January 2020
- **BGS-RSCP Pricing Spreadsheet tool** intended for bidders to translate possible auction prices into BGS-RSCP retail rates for each EDC

PJM WEBSITE IMPORTANT SOURCE OF INFORMATION

- Home page:
<http://www.pjm.com/>
- Reliability Pricing Model
<http://www.pjm.com/markets-and-operations/rpm.aspx>
- PJM OASIS
<http://www.pjm.com/markets-and-operations/etools/oasis.aspx>
- PJM-EIS GATS
<http://www.pjm-eis.com>

HOW TO ASK A QUESTION

- **Questions are taken in writing through the WebEx interface:**
 - Locate the “Q&A” on the right hand side of your screen
 - Select “All Panelists” in the “Ask” box
 - Type in your question including the relevant slide number
 - Click “Send” to submit your question

