

A. REGULATORY PROCEEDING

Companion Document: Sub-section C.2 of the [BGS Auction Process](#) Section of the October Bidder Information Packet is a **companion document** that provides a timeline and brief overview of the BGS regulatory process. This section updates the content of the companion document by describing the activities under the regulatory proceeding that have taken place as of the date of the webcast, November 27, 2017.

This section is provided for bidder convenience only. Any statements herein describing the EDCs' "Proposal for Basic Generation Service Requirements to Be Procured Effective June 1, 2018" filed on June 30, 2017 with the New Jersey Board of Public Utilities ("Board" or "BPU") or describing the Board Order in the proceeding qualified in their entirety by our reference and the links to the EDCs' proposal ([Front Part of Filing](#), [Appendix A](#), [Appendix B](#), [Appendix C](#), and [Appendix D](#)) and to the [Board Order](#). Bidders bear full responsibility for reviewing the EDCs' proposal and the subsequent Board Order.

The EDCs are Public Service Electric and Gas Company ("PSE&G"), Jersey Central Power & Light Company ("JCP&L"), Atlantic City Electric Company ("ACE"), and Rockland Electric Company ("RECO").

A.1. Prior to the Board Decision

BGS Proposals

In response to a New Jersey Board of Public Utilities ("Board" or "BPU") [Procedural Order](#) issued April 21, 2017, the EDCs filed their "Proposal for Basic Generation Service Requirements to Be Procured Effective June 1, 2018" on June 30, 2017. No other party filed an alternative proposal. The EDCs' proposal is available on the [bgs proceeding](#) page of the BGS Auction website and the links are provided above. The EDCs' proposal consisted of:

- A joint proposal that detailed the procurement of supply for BGS customers through a statewide Auction Process; and
- A Company Specific Addendum for each EDC that addressed EDC-specific issues including contingency plans, rate design, tariff sheets, as well as an accounting and cost recovery proposal.

Each Company Specific Addendum included the Company's BGS-RSCP rate design spreadsheet that provides full details of the calculation of retail rates on the basis of final Auction prices.

Discovery

In its Procedural Order, the Board invited interested parties to file with the Board's Secretary discovery requests on BGS proposals. The deadline for discovery requests was Monday, July 24, 2017. The New Jersey Division of Rate Counsel ("Rate Counsel") filed discovery requests to which the EDCs responded on Monday, August 7, 2017. The EDCs' responses were sent out to a BGS e-service list maintained by Board Staff. Parties wishing to be added to the BGS e-service list for future communications from the Board should email the Auction Manager at BGS-Auction@nera.com to receive contact information for Board Staff.

Comment Process

In its Procedural Order, the Board also invited interested parties to submit comments on BGS proposals. Comments could be submitted at three points in time. First, written initial comments could be submitted to the Board by September 6, 2017. Rate Counsel submitted initial comments for the Board's consideration. Second, interested parties could appear at a legislative-type hearing held on September 28, 2017 to provide an oral presentation to the Board. Rate Counsel, the Independent Energy Producers of New Jersey, and the EDCs appeared and made oral presentations to the Board at its legislative-type hearing. Lastly, written final comments could be submitted to the Board by October 13, 2017 to respond to issues raised during initial comments or at the legislative-type hearing. Rate Counsel and the EDCs submitted final comments.

A.2. Board Decision

At its agenda meeting on November 21, 2017, the Board rendered its decision on the EDCs' proposal. The Board approved the main elements of the EDCs' proposal, which have been stable over the past several years, namely:

- Using a single statewide Auction Process to procure supply for BGS customers;
- Holding two auctions, the BGS-CIEP Auction for large commercial and industrial customers, and the BGS-RSCP Auction for residential and smaller commercial customers;
- A supply period of June 1, 2018 through May 31, 2021 for the BGS-RSCP Auction;
- A supply period of June 1, 2018 through May 31, 2019 for the BGS-CIEP Auction;
- The use of a clock auction format; and
- A decision by the Board on the auction results within two business days of the close of the last auction.

The Board also explicitly approved:

- The EDCs' plan for marketing efforts, including holding Bidder Information Sessions (via webcast this year), publicizing new developments through the BGS Auction website, and making announcement by direct emails to interested parties;
- The confidentiality provisions to protect information provided in the bidder application forms and information related to specific bidder activity during the Auctions; and
- Adjusting the decrements for PSE&G and JCP&L in the BGS-CIEP Auction to be step-wise functions.

However, the Board rejected the modifications to the Supplier Master Agreements requested by the EDCs that clarified the ambit of Section 15.9. The Board directed the EDCs to make a compliance filing that modifies the governing documents of the EDCs' proposal (the Supplier Master Agreements, the Auction Rules, and the Company Specific Addenda) to be consistent with the Board Order. The compliance filing is due to the Board by December 4, 2017.

Please consult the [Board Order](#) in Docket No. ER17040335 as posted to the BGS Auction website for full details regarding the Board's actions.