January 2026

DISCLAIMER

This document is provided for bidder convenience only. If you have any questions concerning application of the Regulations, you should consult with counsel qualified to interpret such Regulations. It is not the role of the EDCs or the BGS Auction Manager to interpret Regulations for bidders.

BGS Suppliers are responsible for meeting New Jersey's RPS requirements for solar electric generation, Class I renewable energy, and Class II renewable energy. The RPS requirements for June 1, 2026 through May 31, 2029 are as follows:

Energy Year	Solar	Class I	Class II
2027 (ending May 31, 2027)	4.35%	41.00%	2.50%
2028	3.74%	44.00%	2.50%
2029	3.07%	47.00%	2.50%

The New Jersey Electric Distribution Companies ("EDCs")[1] apply the RPS percentages specified by the Board of Public Utilities ("BPU") to energy supplied by the BGS Supplier and hence, apply the RPS percentages to energy that includes distribution and transmission losses and is derated by the marginal loss factor. To determine the energy that a Load Serving Entity must supply, PJM uses loss-loaded schedules and derates these schedules by marginal losses to arrive at energy settlement values. The factors used in deration are determined for each hour for each EDC by PJM and are available in the BGS Data Room. When calculating the BGS Supplier's obligations under the RPS, each EDC applies the RPS percentages to the values from the PJM settlement, which are also the values for settlement under the BGS Supplier Master Agreement, and which are equal to the energy that a BGS Supplier must provide.

Compliance with Transition Renewable Energy Certificate ("TREC") obligations and compliance with SREC-II obligations arising from New Jersey's Solar Successor Incentive Program ("SuSI") are a component of the Class I obligation for BGS Suppliers.

The TREC and SREC-II Program Administrator, InClime Inc, will purchase TRECs and SREC-IIs monthly from eligible system owners with accounts on PJM-EIS GATS. TRECs and SREC-IIs will be retired to the EDCs' joint GATS account and BPU Staff will allocate them to BGS Suppliers annually based on the BGS Supplier's market share of electricity supplied during an energy year.[2] Allocation of the statewide TREC obligation and the statewide SREC-II obligation to suppliers will follow the method set forth in N.J.A.C. 14:8-2.3 (r) and (t).

[1] The four (4) New Jersey 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").

[2] TREC and SREC-II obligations are not known until the conclusion of each energy year when the volume of retail sales subject to the RPS has been determined.

The eligibility requirements established by the Regulations for RECs and SRECs are as follows:
1. SRECs may be used to meet the solar requirement or the Class I requirement;
2. Retired TRECs and SREC-IIs will serve as a carve-out of the Class I requirement;
3. Class I RECs may be used only to meet the Class I requirement (but cannot be used to meet solar requirements or Class II requirement); and
4. Class II RECs can only be used to meet Class II requirements.

Below is an illustrative example that follows the BGS Auction Manager's understanding of the Regulations relating to a BGS Supplier's Class I obligation. The calculations are provided solely for the convenience of bidders. The data is illustrative and does not correspond to actual data or to forecast values for electricity sales, to TREC retirements, or to SREC-II retirements.

New Jersey's Division of Clean Energy provides retail sales figures and instructions for calculating RPS obligations of BGS Suppliers through Energy Year ("EY") 2025 on their website: https://cleanenergy.nj.gov/resources/rps-compliance-reports

EXAMPLE 2026 BGS AUCTIONS WINNER

Q: Can you please provide an example calculation of the Class I obligations for a BGS Supplier winning in the 2026 BGS Auctions taking into consideration solar, TREC, and SREC-II obligations?

A: For illustrative purposes, suppose that Supplier A serves 3,000,000 MWh of electricity in EY27, EY28 and EY29 as a result of winning in the 2026 BGS-RSCP Auction and 500,000 MWh of electricity in EY27 as a result of winning in the 2026 BGS-CIEP Auction. In total Supplier A is serving 3,500,000 MWh of electricity in EY27 and 3,000,000 MWh of electricity in EY28 and EY29. Supplier A's market share of electricity supplied during EY27 is 5% (3,500,000 MWh ÷ 70,000,000 MWh) and during EY28 and EY29 is 4.29% (3,000,000 MWh ÷ 70,000,000 MWh).

Suppose that the total BGS retail electricity sales and total electricity retail sales are as follows:

Energy Year	Total BGS Retail Electricity Sales (MWh)	Total Retail Electricity Sales (MWh)
2027	45,000,000	70,000,000
2028	45,000,000	70,000,000
2029	45,000,000	70,000,000

Suppose also that the total TREC and SREC-II retirements are as follows:

Energy Year	Total TREC Retirements	Total SREC-II Retirements
2027	1,050,000	700,000
2028	1,050,000	700,000
2029	1,050,000	700,000

Then the Class I obligations of Supplier A can be calculated as follows:

EY27

Supplier A is responsible for the total Class I obligation. Supplier A is serving 3,500,000 MWh of electricity in EY27 for which the applicable percentage is 41.00% resulting in a total Class I obligation requirement of 1,435,000 MWh (3,500,000 * 41.00%).

- The Class I obligation is reduced by the solar obligations associated with the supplier's electricity in EY27 of 152,250 MWh (3,500,000 * 4.35%).
- The Class I obligation is reduced by 52,500 MWh which is the supplier's share of TRECs retired by the Program Administrator for EY27 (1,050,000 * 5.00%).
- The Class I obligation is reduced by 35,000 MWh which is the supplier's share of SREC-IIs retired by the Program Administrator for EY27 (700,000 * 5.00%).

Supplier A's Class I obligation for EY27 is thus 1,195,250 MWh (1,435,000 MWh – 152,250 MWh – 52,500 MWh – 35,000 MWh).

EY28

Supplier A is responsible for the total Class I obligation. Supplier A is serving 3,000,000 MWh of electricity in EY28 for which the applicable percentage is 44.00% resulting in a total Class I obligation requirement of 1,320,000 MWh (3,000,000 * 44.00%).

- The Class I obligation is reduced by the solar obligations associated with the supplier's electricity in EY28 of 112,200 MWh (3,000,000 * 3.74%).
- The Class I obligation is reduced by 45,045 MWh which is the supplier's share of TRECs retired by the Program Administrator for EY28 (1,050,000 * 4.29%).
- The Class I obligation is reduced by 30,030 MWh which is the supplier's share of SREC-IIs retired by the Program Administrator for EY28 (700,000 * 4.29%).

Supplier A's Class I obligation for EY28 is thus 1,132,725 MWh (1,320,000 MWh – 112,200 MWh – 45,045 MWh – 30,030 MWh).

EY29

Supplier A is responsible for the total Class I obligation. Supplier A is serving 3,000,000 MWh of electricity in EY29 for which the applicable percentage is 47.00% resulting in a total Class I obligation requirement of 1,410,000 MWh (3,000,000 * 47.00%).

- The Class I obligation is reduced by the solar obligations associated with the supplier's electricity in EY29 of 92,100 MWh (3,000,000 * 3.07%).
- The Class I obligation is reduced by 45,045 MWh which is the supplier's share of TRECs retired by the Program Administrator for EY29 (1,050,000 * 4.29%).
- The Class I obligation is reduced by 30,030 MWh which is the supplier's share of SREC-IIs retired by the Program Administrator for EY29 (700,000 * 4.29%).

Supplier A's Class I obligation for EY29 is thus 1,242,825 MWh (1,410,000 MWh – 92,100 MWh – 45,045 MWh – 30,030 MWh).