

A. REGULATORY PROCEEDING

Companion Document: Section C.1 of the [BGS Auction Process](#) Chapter of the October Bidder Information Materials is a **companion document** that provides a timeline and brief overview of the BGS regulatory process. This chapter updates the content of the companion document by describing the activities under the regulatory proceeding that have taken place to date.

This chapter is provided for bidder convenience only. Any statements herein describing the EDCs' "Proposal for Basic Generation Service Requirements to Be Procured Effective June 1, 2026" filed on July 1, 2025 with the New Jersey Board of Public Utilities ("Board" or "BPU") as well as each EDC's Company Specific Addendum filed on July 1, 2025 or describing the Board Orders in the proceeding are qualified in their entirety by our reference to the EDCs' proposal available on the BGS Auction website ([Front Part of Filing](#), [Appendix A](#), [Appendix B](#), [Appendix C](#), and [Appendix D](#)) and to the [Board Orders](#). Bidders bear full responsibility for reviewing the EDCs' proposal and the subsequent Board Orders.

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 Order

BGS Proposals

In response to a [Procedural Order](#) issued by the Board on April 23, 2025, the EDCs filed their "Proposal for Basic Generation Service Requirements to Be Procured Effective June 1, 2026" as well as Each EDC's Company Specific Addendum on July 1, 2025. 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 BGS-RSCP retail rates based on final auction prices as well as draft tariff sheets for BGS-CIEP customers.

Since the 2020 BGS proceeding¹, the results for several PJM Base Residual Auctions (“BRAs” or, individually, a “BRA”) were not known prior to the start of the respective BGS-RSCP Auctions; and as such, the capacity prices for several years of the BGS-RSCP supply terms since the 2020 BGS-RSCP Auction were also not known prior to those auctions. This was because the BRAs were postponed while the Federal Energy Regulatory Commission (“FERC”) was considering PJM’s proposed changes to its capacity market. In each BGS proceeding since the 2020 BGS proceeding, the EDCs proposed, and the Board approved, the use of a capacity proxy price for each EDC to be treated as the capacity price for the delivery year(s) for which the actual capacity price was not expected to be known prior to the respective BGS-RSCP Auction.² On October 15, 2024, PJM filed a Request for Waiver to delay PJM’s Reliability Pricing Model auctions for the 2026/2027 through the 2029/2030 delivery years in response to a complaint filed in September 2024. The proposed revisions would delay PJM holding its BRAs for the 2027/2028 and 2028/2029 delivery years (the second and third years of the supply period for winning bidders in the 2026 BGS-RSCP Auction). Specifically, PJM’s proposed schedule revisions call for the base residual auctions for the 2027/2028 and 2028/2029 delivery years be held in December 2025 and June 2026, respectively. On November 8, 2024, the FERC issued an order accepting PJM’s Request for Waiver for the BRA schedules for the 2026/2027 through the 2029/2030 delivery years. Such order includes an illustrative auction schedule for the 2026/2027 through the 2030/2031 delivery years. As a result of these schedule changes, the capacity prices for the 2027/2028 delivery year (the second year of the supply period) may not be known prior to the 2026 BGS-RSCP Auction and the capacity prices for the 2028/2029 delivery year (the third year of the supply period) will not be known prior to the 2026 BGS-RSCP Auction. The EDCs addressed this uncertainty in the same manner approved by the Board since the 2020 BGS proceedings by proposing capacity proxy prices for each EDC, for each delivery year. This proposal is implemented using Supplements to the BGS-RSCP SMA (one Supplement for each delivery year).

Discovery

In its Procedural Order, the Board invited interested parties to file with the Board’s Secretary discovery requests on the BGS proposals. The deadline for discovery requests

¹ *I/M/O the Provision of Basic Generation Service (BGS) for the Period Beginning June 1, 2020*, BPU Docket No. ER19040428.

² The Board Approved the use of Capacity Proxy Prices for the 2022/2023 delivery year during the 2020 BGS proceeding, the 2022/2023 and 2023/2024 delivery years during the 2021 BGS proceeding, the 2023/2024 and 2024/2025 delivery years during the 2022 BGS proceeding, and the 2024/2025 and 2025/2026 delivery years during the 2023 BGS proceeding.

was Tuesday, July 22, 2025. The EDCs provided responses to discovery by the deadline of Tuesday, August 5, 2025.

Initial Comments and Hearing

In its Procedural Order, the Board also invited interested parties to submit comments on the BGS proposals. Comments could be submitted at three points in time. First, written initial comments could be submitted to the Board by September 5, 2025. Second, interested parties could appear at a legislative-type hearing held on September 18, 2025 to provide an oral presentation to the Board. Lastly, written final comments could be submitted to the Board following initial comments and the legislative-type hearing.

The New Jersey Division of Rate Counsel (“Rate Counsel”), Morgan Stanley Capital Group Inc, and NextEra Energy Marketing, LLC (“NextEra”). Rate Council and the EDCs appeared and made oral presentations to the Board at its legislative-type hearing.

Final Comments

Rate Counsel submitted final comments as well as revised final comments for the Board’s consideration. The combined final comments from Rate Counsel reaffirmed their initial comments and covered supporting the termination of the EDCs’ Direct Current Fast Charging (“DCFC”) pilot programs and responded to the initial comments filed by NextEra. Specifically, Rate Counsel did not oppose the addition of clarifying language in the BGS-RSCP Supplier Master Agreement to address recent Department of Energy Section 202(c) actions nor to a further review to determine whether more granular municipal aggregation data can be available.

The EDCs submitted final comments that responded to issues raised in the proceeding including: (i) a request that the Board approve each EDC’s proposal regarding their respective DCFC pilot programs; (ii) the use of, and methodology for determining, capacity proxy prices; (iii) the remote auction administration and conduct of auctions; (iv) not opposing the proposal to incorporate the terms of the 2018 U.S. Resolution Stay Protocol (“Stay Protocol”) into the BGS Supplier Master Agreements; (v) not opposing the proposal for EDCs to be responsible for certain PJM charges stemming from actions taken under Section 202(c) of the Federal Power Act; and (vi) the availability of EDCs’ municipal aggregation data. PSE&G also individually submitted final comments reiterating its request regarding the implementation of a new BGS TOU rate.

A.2. Board Decision

A.2.a. Summary

At its agenda meeting on November 21, 2025, the Board rendered its decision on the EDCs' proposal.

The Board approved the main elements of the EDCs' proposal including:

- The remote administration and conduct of the 2026 BGS Auctions;
- 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, 2026 through May 31, 2027 for the BGS-CIEP Auction;
- A supply period of June 1, 2026 through May 31, 2029 for the BGS-RSCP Auction;
- The use of capacity proxy prices for the 2027/2028 and 2028/2029 delivery years to the extent BRA results are not known 5 (five) days prior to the start of the BGS-RSCP 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.

A.2.b. Capacity Proxy Prices

The Board approved the method for calculating the capacity proxy prices as filed by the EDCs. The results of the method for calculating the capacity proxy prices are provided below.

Table A-1. Capacity Proxy Prices

Proposed Modification Determinant	2027/2028 Capacity Proxy Price (\$/MW-day)	2028/2029 Capacity Proxy Price (\$/MW-day)
2026/2027 BRA results available five business days prior to BGS-RSCP Auction (but the 2027/2028 & 2028/2029 BRA results are not available)	2026/2027 BRA (\$329.43/MW-day)	
2026/2027 & 2027/2028 BRA results available five business days prior to BGS-RSCP Auction (but 2028/2029 BRA results are not available)	N/A	2027/2028 BRA

A.2.c. Other Items

The Board also explicitly approved:

- The EDCs’ plan for marketing efforts, including holding bidder information webcasts, publicizing new developments through the BGS Auction website, and making announcements by email 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;
- The EDCs to be responsible for certain PJM charges stemming from actions taken under Section 202(c) of the Federal Power Act; and
- The inclusion of Appendix F to the BGS-CIEP Supplier Master Agreement and the inclusion of Appendix I to the BGS-RSCP Supplier Master Agreement to incorporate the terms of the Stay Protocol into the Supplier Master Agreements.

The Board further directed the EDCs to become adhering parties to the Stay Protocol.

Please consult the [Board Order](#) in Docket No. ER25040190 as posted to the BGS Auction website for full details regarding the Board’s actions.