

D. BIDDER TRAINING AND ADDITIONAL INFORMATION RELEASES

Companion Document: Section C.4 of the [BGS Auction Process](#) Chapter of the October Bidder Information Materials is a **companion document** that provides a timeline and brief overview of bidder training and future information releases. This chapter of the December Bidder Information Materials expands upon these materials.

This chapter is provided for bidder convenience only. Bidders bear full responsibility for reviewing all information releases from the Auction Manager, regardless of whether such information releases are mentioned in this chapter. Bidders are strongly encouraged to participate in bidder training and review all materials released by the Auction Manager for this purpose. Bidders should not rely on the summary provided in this chapter.

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”).

D.1. Bidder Training and Training Materials

Applicants that successfully complete the requirements of the Part 1 Application and the Part 2 Application become Registered Bidders. The Auction Manager releases training materials and holds training events for the benefit of bidders that have registered to participate in the BGS Auctions. Specifically, the Auction Manager:

- Releases to Registered Bidders further Bidder Information Materials in January, which include a guide to the auction rules as well as a manual for use of the Auction Software for purposes of submitting bids online;
- Holds a webcast that provides announcements and discusses the bidding procedures in detail; and
- Conducts trial auctions so that Registered Bidders may practice all aspects of the bidding procedures.

The bidding procedures include submission of bids online through the Auction Software as well as a backup bidding procedure via phone in case of technical difficulties. The terms and conditions of access to the Auction Software are provided as an appendix to these Bidder Information Materials. These bidding procedures are further explained in Chapter E of these Bidder Information Materials.

Bidder Information Materials

The Bidder Information Materials to be released in January are prepared specifically for Registered Bidders. The Bidder Information Materials are posted on a page of the BGS Application website that is only accessible to Registered Bidders using credentials provided by the Auction Manager team. The January Bidder Information Materials will include:

- Expected schedules for the first day of the BGS-CIEP Auction and the first day of the BGS-RSCP Auction;
- System requirements for use of the Auction Software;
- A guide for technical preparedness;
- A presentation of the login credentials and other information required to log in to the Auction Software;
- A Software Manual, including sample bid sequences and presentation of other functionality of the Auction Software; and
- A detailed description of backup bidding procedures.

Webcast for Registered Bidders

The Auction Manager holds an information webcast for Registered Bidders, scheduled for Wednesday, January 24, 2024. Information covered by the webcast includes:

- Announcement of the amount of the tranche fees;
- Release of Mark-to-Market information;
- Detailed bid sequences to submit bids using the Auction Software;
- The backup bidding procedure and the way Registered Bidders are authenticated if they submit a backup bid by phone; and
- Purpose of the Trial Auctions and how Registered Bidders can use the Trial Auctions to prepare for the Auctions.

Time is reserved so that Registered Bidders have the opportunity to ask questions.

Trial Auctions for Registered Bidders

Trial Auctions for Registered Bidders provide Registered Bidders the opportunity to familiarize themselves with the Auction Software and to practice all aspects of the bid submission procedures over several rounds. The Auction Manager encourages Registered Bidders to:

- Test the internet connections that will be used during the actual Auctions;
- Update their user profile after logging in to the Auction Software;
- Attempt several different bid sequences using the Auction Software, including: (i) withdrawing by reducing the total number of tranches bid across EDCs and entering exit prices; (ii) switching by reducing the number of tranches bid on one or more EDC while increasing the number of tranches bid on different EDCs by the same amount, entering switching priorities as necessary; and (iii) withdrawing and switching simultaneously;
- Submit backup bids by sending a text or an email to the Auction Manager team and receiving a call from a Technical Assistant who can also answer questions about the backup bidding procedures; and
- Request an extension. Bidders are granted two 15-minute extensions during an auction and bidders can use the Trial Auctions to practice extending the bidding phase of a round.

The Trial Auctions will be held twice: first on Thursday, January 25, 2024 and second on Tuesday, January 30, 2024. Bidders that experience difficulties in the first Trial Auctions may participate in the second Trial Auctions to work toward resolving all such difficulties. Invitations and schedules for the trial auctions will be sent to a Registered Bidder once the Registered Bidder has returned the certifications required. These certifications are provided as part of the Notification of Registration.

D.2. Information Releases

The Auction Manager continues to respond to bidder questions after bidders are registered to participate in the BGS Auctions; however, the questions and answers are sent directly to Registered Bidders rather than being posted to the BGS Auction website. Similarly, announcements or reminders of certain events, like the start of the Trial Auctions, are provided only to Registered Bidders. Registered Bidders are advised of any update to data series in the BGS Data Room that may be made available by the EDCs before the BGS Auctions.

Several additional information releases occur in January before the BGS Auctions start. On Thursday, January 25, 2024, the Auction Manager posts the final rate spreadsheets and announces the final seasonal factors. Any updates to decrement formulas and to the ranges of total excess supply are released prior to the webcast for Registered Bidders.

These information releases are posted to the BGS Auction website and bidders are advised of that fact through an announcement. Announcements are typically posted to the [news](#) page of the BGS Auction website.

The Mark-to-Market information, the release of the rate spreadsheets and seasonal factors, as well as whether Supplement C to the BGS-RSCP Supplier Master Agreement is null and void, are relevant only to participation in the BGS-RSCP Auction. Further details about these additional information releases are provided below.

Decrement Formulas and Ranges of Total Excess Supply

During the calculating phase of a round in the auction, the Auction Manager calculates the number of tranches bid for an EDC. If the number of tranches bid exceeds the number of tranches needed for an EDC, the price for the EDC falls by a decrement in the next round. The decrement varies in each round based on the excess supply on an EDC measured against a measure of maximum possible excess supply on that EDC. Decrement formulas are provided on a provisional basis in an Appendix to the BGS-RSCP and BGS-CIEP Auction Rules posted to the [auction rules](#) page of the BGS Auction website.

The decrement formulas depend on the number of Registered Bidders. The final decrement formulas are released after bidders are registered. The final decrement formulas are expected to be posted to the [auction rules](#) page of the BGS Auction website on Tuesday, January 23, 2024.

The Auction Manager may, at the same time, adjust the ranges of total excess supply that are reported to bidders during the reporting phase of each round. Such adjustment, which is possible but not expected, would be provided along with the final decrement formulas.

Mark-to-Market Information Release

During the three years of the BGS-RSCP supply period, a Mark-to-Market (“MtM”) exposure amount is calculated daily for each BGS-RSCP Supplier reflecting the total MtM credit exposure to an EDC due to fluctuations in forward market energy prices for energy minus amounts due to the BGS-RSCP Supplier. The method to develop the marks and to calculate the exposure amount for each BGS-RSCP Supplier is discussed in a MtM information release that is expected to be posted on Tuesday, January 23, 2024. Generally, the mark for each billing month is determined on the day the BGS-RSCP Auction closes. At that time, the MtM credit exposure for each BGS-RSCP Supplier is equal to zero. Subsequently, the differences between the available forward market prices and the mark prices for the corresponding billing months are used to calculate the daily credit exposure for each BGS-RSCP Supplier.

Final Rate Spreadsheets and Rate Spreadsheet Tool

Each EDC's methodology to set BGS-RSCP retail rates as a function of the final auction prices, which was included in each EDC's Company Specific Addendum, was approved by the Board. For an EDC, retail rates are set based on the weighted average, seasonally adjusted final auction prices for that EDC's tranches from the 2024 BGS-RSCP Auction, the 2023 BGS-RSCP Auction, and the 2022 BGS-RSCP Auction. For RECO, costs resulting from contracts from RECO's RFPs for the New York ISO load also affect RECO retail rates. This methodology is set out in detail in each EDC's Company Specific Addendum as well as in the rate spreadsheets.

The EDCs update the inputs to the rate spreadsheets at the time of the compliance filing and again in January. In an information release expected to occur on Thursday, January 25, 2024 the Auction Manager makes available:

- The rate spreadsheet for each EDC incorporating the input updates;
- The final seasonal factors calculated on the basis of the rate spreadsheet for each EDC; and
- A BGS-RSCP pricing spreadsheet tool.

The BGS-RSCP pricing spreadsheet tool is intended to provide bidders with an easy-to-use device that translates final auction prices for each EDC into BGS-RSCP retail rates. The spreadsheet tool along with a guide are currently available on the [additional data](#) page of the BGS Auction website. The BGS-RSCP pricing spreadsheet tool currently reflects the methodology that the EDCs proposed to set BGS-RSCP retail rates in each EDC's Company Specific Addendum filed by July 3, 2023 with the inputs available at that time. The BGS-RSCP pricing spreadsheet tool is updated prior to the BGS-RSCP Auction to reflect updates to the inputs.

Inclusion of Supplement C to the BGS-RSCP Supplier Master Agreement

The EDCs utilize forward market energy prices in the calculation of a BGS-RSCP Supplier's MtM exposure amount as described in the MtM Information Release. The EDCs proposed the inclusion of Supplement C to the BGS-RSCP Supplier Master Agreement in their final comments that replaces the definition of "Forward Market Price" to allow for the use of a single independent broker source in calculating forward market energy prices. Supplement C will only be utilized if all BGS-RSCP Suppliers serving tranches won in the 2022 and 2023 BGS-RSCP Auctions elect to sign an MtM Amendment that replaces the definition of Forward Market Price in those agreements. The Auction Manager will notify bidders participating in the 2024 BGS-RSCP Auction no later than January 29, 2024 if the terms of Supplement C to the BGS-RSCP SMA will be in effect beginning June 1, 2024.