

Mark-to-Market for BGS-RSCP Contracts

MtM Exposure Amount Calculation Information:

Table 1 contains the illustrative marks¹ for each month of the BGS-RSCP Auction period. Monthly marks are provided for June 2024 through May 2027. For the months, two-month blocks,² or quarterly blocks² where broker³ quotes are available, broker quotes will be used for those months. For all the remaining months the EDCs will use a proprietary method that reflects forward market conditions.

The method described above will be employed from January 22, 2024 through January 31, 2024. From February 01, 2024 through the day of the close of the BGS-RSCP Auction, only the months for which a monthly, a two-month block or a quarterly block quote is available will be updated. The mark for each Billing Month is the mark that was calculated on the date that the BGS-RSCP Auction closes and will not change over the life of the contract. After the close of the BGS-RSCP Auction Forward Market Prices will change. In addition, the on-peak and off-peak loads used to calculate the MtM Exposure Amount will be adjusted periodically to reflect the most current information.

Forward Market Prices for the months, two-month blocks or quarterly blocks where broker quotes are available will be equal to the broker quotes. In case quotes for a component of a block and for the block are both available, the EDCs reserve the right not to use both the component of a block and the block if they are inconsistent with each other. However, when this inconsistency occurs the EDC must use either the component or the block. Forward Market Prices for the months, two-month blocks or quarterly blocks where broker quotes are unavailable will be equal to the last available broker quotes or in case they have not been quoted on the broker sheets since the BGS-RSCP Auction closed, they will be equal to the marks set at the close of the BGS-RSCP Auction.

As indicated in Appendix B, on the day the Auction closes parameters will also be set for:

- The monthly on-peak load per tranche for each EDC (see Table 2)

¹ Illustrative marks represent PJM Western Hub on-peak prices.

² For two-month and quarterly blocks for which the average for the block and a component of the block are both quoted, the component will be equal to its quoted price and the other months in the block will be constructed so that the weighted average (weighted by on-peak hours in each month) of the block equals the quote for the block; e.g., Q4 2024 = \$50 and Oct 2024 = \$40; therefore, Oct 2024 = \$40 and Nov-Dec 2024 = $(\$50 \cdot (368 + 320 + 336) - \$40 \cdot 368) / (320 + 336) = \55.61 . If only the block is quoted, that price will be used for all relevant months; e.g., Jan/Feb 2025 = \$35, then Jan 2025 = \$35 and Feb 2025 = \$35.

³ The term broker as used in the BGS-RSCP Supplier Master Agreement encompasses both independent brokers or exchanges active in the energy market.

- The monthly off-peak load per tranche for each EDC (see Table 2)
- The ratio between historical off-peak and on-peak energy prices (see Table 3)

The values provided in Table 2 and Table 3 are those that the EDCs intend to use for Appendix B when signing the contract. The EDCs do not anticipate any changes to Table 2 or Table 3 between now and the day the Auction closes.

Illustrative Marks for January 11, 2024

TABLE 1	
Illustrative Initial Marks (\$/MWh)	
Jun-24	47.20
Jul-24	64.53
Aug-24	58.60
Sep-24	48.33
Oct-24	47.55
Nov-24	48.88
Dec-24	56.13
Jan-25	71.80
Feb-25	64.45
Mar-25	51.10
Apr-25	46.85
May-25	49.11
Jun-25	51.26
Jul-25	69.17
Aug-25	62.31
Sep-25	52.39
Oct-25	50.61
Nov-25	51.28
Dec-25	57.93
Jan-26	71.97
Feb-26	65.37
Mar-26	52.45
Apr-26	48.35
May-26	49.43
Jun-26	54.92
Jul-26	72.32
Aug-26	65.01
Sep-26	54.80
Oct-26	51.58
Nov-26	52.87
Dec-26	61.42
Jan-27	73.13
Feb-27	66.70
Mar-27	53.73
Apr-27	47.99
May-27	50.07

Monthly Loads per Tranche

The monthly on-peak and off-peak loads per tranche are used when calculating the MtM. These loads are based on historical numbers and are subject to change by the EDCs.

TABLE 2								
Monthly Volumes (MWh)								
	PSE&G		JCP&L		ACE		RECO	
	On-peak	Off-peak	On-peak	Off-peak	On-peak	Off-peak	On-peak	Off-peak
Jun-24	11,957	10,189	11,318	9,746	9,596	10,051	10,280	9,536
Jul-24	16,303	16,850	14,126	13,018	17,764	15,665	17,303	12,258
Aug-24	14,940	13,073	13,992	11,354	14,066	12,803	12,785	11,234
Sep-24	11,594	11,976	10,459	9,065	10,373	11,065	11,343	9,455
Oct-24	8,995	9,165	8,073	7,292	7,502	6,872	8,341	6,873
Nov-24	9,256	10,138	8,051	8,059	7,448	8,413	7,983	7,560
Dec-24	11,330	12,442	9,937	9,420	9,671	10,922	9,489	8,962
Jan-25	10,418	11,906	10,283	10,225	9,924	9,566	9,482	8,027
Feb-25	9,524	10,513	9,179	8,610	8,255	8,743	7,887	7,554
Mar-25	10,770	9,895	9,167	7,920	7,912	8,927	7,899	8,160
Apr-25	8,359	9,335	8,185	6,936	6,580	6,747	8,094	6,992
May-25	9,346	9,094	8,239	8,157	6,705	7,875	8,796	7,882
Jun-25	11,957	10,189	11,336	9,730	10,076	9,649	10,794	9,155
Jul-25	16,303	16,850	14,170	13,037	17,764	15,665	17,303	12,258
Aug-25	14,940	13,073	14,603	11,842	13,426	13,325	12,204	11,692
Sep-25	11,594	11,976	10,389	9,011	10,892	10,622	11,883	9,061
Oct-25	8,995	9,165	8,053	7,257	7,502	6,872	8,341	6,873
Nov-25	9,256	10,138	8,022	8,008	7,076	8,750	7,603	7,875
Dec-25	11,330	12,442	10,126	9,595	10,131	10,493	9,920	8,596
Jan-26	10,418	11,906	10,187	10,140	9,473	9,957	9,070	8,368
Feb-26	9,524	10,513	9,056	8,511	8,255	8,743	7,887	7,554
Mar-26	10,770	9,895	8,999	7,792	8,289	8,577	8,276	7,840
Apr-26	8,359	9,335	8,085	6,862	6,580	6,747	8,094	6,992
May-26	9,346	9,094	8,123	8,059	6,386	8,184	8,396	8,203
Jun-26	11,957	10,189	11,184	9,613	10,555	9,247	11,308	8,774
Jul-26	16,303	16,850	14,022	12,912	17,764	15,665	17,303	12,258
Aug-26	14,940	13,073	14,464	11,736	13,426	13,325	12,204	11,692
Sep-26	11,594	11,976	10,269	8,919	10,892	10,622	11,883	9,061
Oct-26	8,995	9,165	7,948	7,174	7,176	7,164	7,978	7,166
Nov-26	9,256	10,138	7,915	7,916	7,448	8,413	7,983	7,560
Dec-26	11,330	12,442	10,005	9,493	10,131	10,493	9,920	8,596
Jan-27	10,418	11,906	10,064	10,035	9,022	10,347	8,658	8,710
Feb-27	9,524	10,513	8,957	8,430	8,255	8,743	7,887	7,554
Mar-27	10,770	9,895	8,911	7,724	8,666	8,227	8,652	7,520
Apr-27	8,359	9,335	7,979	6,786	6,580	6,747	8,094	6,992
May-27	9,346	9,094	8,025	7,975	6,386	8,184	8,396	8,203

Ratio of Off-Peak to On-Peak Prices

The monthly ratios of off-peak to on-peak prices in the PJM Western Hub are used in calculating the MtM.

TABLE 3	
PJM Western Hub Ratio of Off-Peak to On-Peak Prices	
January	0.9841
February	0.8635
March	0.8797
April	0.7929
May	0.6771
June	0.5516
July	0.6278
August	0.6527
September	0.6667
October	0.7030
November	0.7861
December	0.9353