

## Mark-to-Market for BGS-RSCP Contracts

### MtM Exposure Amount Calculation Information:

Table 1 contains the illustrative marks<sup>1</sup> for each month of the BGS-RSCP Auction period. Monthly marks are provided for June 2023 through May 2026. For the months, two-month blocks,<sup>2</sup> or quarterly blocks<sup>2</sup> where broker<sup>3</sup> 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 23, 2023 through February 01, 2023. From February 02, 2023 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)

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<sup>1</sup> Illustrative marks represent PJM Western Hub on-peak prices.

<sup>2</sup> 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 2023 = \$50 and Oct 2023 = \$40; therefore, Oct 2023 = \$40 and Nov-Dec 2023 =  $(\$50 \cdot (352 + 336 + 320) - \$40 \cdot 352) / (336 + 320) = \$55.37$ . If only the block is quoted, that price will be used for all relevant months; e.g., Jan/Feb 2024 = \$35, then Jan 2024 = \$35 and Feb 2024 = \$35.

<sup>3</sup> 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, 2023

<b>TABLE 1</b>	
Illustrative Initial Marks (\$/MWh)	
Jun-23	51.00
Jul-23	69.85
Aug-23	65.78
Sep-23	50.26
Oct-23	45.22
Nov-23	49.22
Dec-23	65.09
Jan-24	98.23
Feb-24	91.19
Mar-24	52.22
Apr-24	44.94
May-24	45.29
Jun-24	49.43
Jul-24	66.12
Aug-24	62.07
Sep-24	48.76
Oct-24	45.21
Nov-24	47.29
Dec-24	64.04
Jan-25	91.28
Feb-25	87.23
Mar-25	52.76
Apr-25	48.67
May-25	49.04
Jun-25	51.80
Jul-25	65.69
Aug-25	62.24
Sep-25	49.79
Oct-25	46.58
Nov-25	48.98
Dec-25	62.00
Jan-26	88.92
Feb-26	84.81
Mar-26	55.71
Apr-26	51.14
May-26	51.04

### 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-23	12,801	10,528	10,792	9,336	11,231	9,263	11,047	8,201
Jul-23	16,062	16,965	13,379	12,371	15,008	16,010	14,631	12,724
Aug-23	18,044	14,642	13,409	10,913	16,965	13,481	15,646	11,210
Sep-23	11,189	11,148	9,412	8,216	9,377	10,679	9,559	8,406
Oct-23	8,856	8,888	7,384	6,701	7,295	7,205	7,735	6,623
Nov-23	8,617	9,582	7,711	7,773	6,859	7,811	7,733	6,601
Dec-23	10,057	10,522	9,473	9,021	7,851	9,227	7,856	7,599
Jan-24	10,927	12,902	9,697	9,715	9,717	10,216	9,255	7,979
Feb-24	9,424	10,261	8,851	8,384	8,017	8,121	7,651	7,031
Mar-24	10,015	9,171	8,611	7,531	6,711	8,000	6,918	7,249
Apr-24	8,253	8,219	7,509	6,429	6,351	6,142	7,139	6,243
May-24	9,004	10,196	7,540	7,550	7,132	8,409	9,178	8,184
Jun-24	12,801	10,528	10,723	9,285	10,210	10,069	10,043	8,914
Jul-24	16,062	16,965	13,309	12,307	16,509	14,802	16,024	11,726
Aug-24	18,044	14,642	13,336	10,858	16,227	14,055	14,965	11,687
Sep-24	11,189	11,148	9,354	8,170	9,377	10,679	9,559	8,406
Oct-24	8,856	8,888	7,329	6,654	7,626	6,911	8,087	6,353
Nov-24	8,617	9,582	7,642	7,710	6,532	8,137	7,382	6,888
Dec-24	10,057	10,522	9,412	8,965	8,243	8,879	8,230	7,301
Jan-25	10,927	12,902	9,583	9,608	9,717	10,216	9,255	7,979
Feb-25	9,424	10,261	8,438	8,000	7,635	7,941	7,286	6,875
Mar-25	10,015	9,171	8,502	7,442	6,711	8,000	6,918	7,249
Apr-25	8,253	8,219	7,410	6,351	6,351	6,142	7,139	6,243
May-25	9,004	10,196	7,450	7,470	6,808	8,752	8,779	8,532
Jun-25	12,801	10,528	10,615	9,195	10,721	9,666	10,545	8,558
Jul-25	16,062	16,965	13,175	12,189	16,509	14,802	16,024	11,726
Aug-25	18,044	14,642	13,203	10,754	15,489	14,629	14,285	12,164
Sep-25	11,189	11,148	9,267	8,098	9,846	10,252	10,015	8,056
Oct-25	8,856	8,888	7,264	6,602	7,626	6,911	8,087	6,353
Nov-25	8,617	9,582	7,564	7,643	6,206	8,462	7,030	7,175
Dec-25	10,057	10,522	9,311	8,873	8,636	8,531	8,605	7,003
Jan-26	10,927	12,902	9,447	9,483	9,275	10,633	8,853	8,319
Feb-26	9,424	10,261	8,323	7,900	7,635	7,941	7,286	6,875
Mar-26	10,015	9,171	8,389	7,349	7,030	7,686	7,247	6,964
Apr-26	8,253	8,219	7,308	6,271	6,351	6,142	7,139	6,243
May-26	9,004	10,196	7,333	7,363	6,484	9,095	8,380	8,880

### 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.

<b>TABLE 3</b>	
PJM Western Hub Ratio of Off-Peak to On-Peak Prices	
January	1.0015
February	0.8595
March	0.8332
April	0.8135
May	0.6687
June	0.5387
July	0.6599
August	0.6229
September	0.6992
October	0.7162
November	0.7467
December	1.0221