



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350

**MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF PUBLIC UTILITIES**

A Special Board meeting of the Board of Public Utilities was held on February 12, 2014, at the Trenton Office of the Board at 44 South Clinton Avenue, Trenton, New Jersey 08608.

Public notice was given pursuant to N.J.S.A. 10:4-18 by posting notice of the meeting at the Board's Trenton Office, on the Board's website, filing notice of the meeting with the New Jersey Department of State and the following newspapers circulated in the State of New Jersey:

Asbury Park Press
Atlantic City Press
Burlington County Times
Courier Post (Camden)
Home News Tribune (New Brunswick)
North Jersey Herald and News (Passaic)
The Record (Hackensack)
The Star Ledger (Newark)
The Trenton Times

The following members of the Board of Public Utilities were present:

Dianne Solomon, President
Jeanne M. Fox, Commissioner*
Joseph L. Fiordaliso, Commissioner
Mary-Anna Holden, Commissioner

*Commissioner Fox participated via teleconference.

President Solomon presided at the meeting and Kristi Izzo, Secretary of the Board, carried out the duties of Secretary.

It was announced that the next regular Board Meeting would be held on February 19, 2014 at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08608.

OPEN SESSION

The meeting began at 10:00 a.m. with all four Commissioners participating via telephone. The Open Public Meetings Act notice was read, roll call taken, then the meeting was recessed until 2:00 p.m. President Solomon, and Commissioners Fiordaliso and Holden were present at 2:00 p.m. and Commissioner Fox participated via telephone.

2. ENERGY

A. **Docket No. ER13050378 - In the Matter of the Provision of Basic Decision and Order Generation Service for the Period Beginning June 1, 2014 – See Executive Session.**

Frank Perrotti, FERC PJM Issues Manager, presented this matter.

DISCUSSION: This matter was initially discussed in Executive Session pursuant to the attorney/client privilege exemption to the Open Public Meetings Act.

FP Auction Summary:

The BGS-FP Auction began on February 10, 2014 and ended on February 11, 2014. It lasted 16 rounds. 53 of the electric distribution companies' (EDCs) 53 tranches were filled by the auction. The auction had 14 registered bidders, and resulted with 8 winning bidders. The winning prices are:

EDC	Closing Price (Cents/Kwh)
ACE	8.780
JCP&L	8.444
PSE&G	9.739
Rockland	9.561

CIEP Auction Summary:

The BGS-CIEP Auction began on February 7, 2014 and ended on February 10, 2014. It lasted 31 rounds. 45 of the electric distribution companies' (EDCs) 45 tranches were filled by the auction. The auction had 8 registered bidders, and resulted with 5 winning bidders. The winning prices are:

EDC	Closing Price \$/Mw-day
ACE	235.22
JCP&L	254.79
PSE&G	284.04
Rockland	290.41

Recommendation:

The Auction Manager responsible for conducting the 2013 auctions was the National Economic Research Associates (NERA).

The auctions were also continuously monitored by Staff from the Division of Energy, as well as by the Board's consultant, Boston Pacific Company (BP).

NERA and Boston Pacific both provided Board approved auction checklists, which have been reviewed by Staff. The checklist includes an in-depth analysis on how the BGS-FP and BGS-CIEP Auctions were conducted.

Both the independent NERA and Boston Pacific post auction reports are consistent with each other and indicate that the Auctions proceeded without interruption, according to the Board-approved Auction rules, in an acceptably fair and transparent manner, and that the Board should certify the Auction results.

Staff assigned to oversee the Auctions also recommended the Board certify the final results of the BGS-FP and BGS-CIEP Auctions in their entirety and approve the closing prices for each EDC.

Staff also recommended the Board should direct the EDCs to: 1) to execute the necessary documents with the winning bidders, including the BGS Supplier Master Agreements; 2) to implement the BGS rates resulting from the Auctions beginning June 1, 2014; and 3) to file tariff sheets reflecting those rates by March 1, 2014. With respect to Rockland, these BGS FP results will be blended with the results of the Rockland RFP that were approved by the Board at its January 29, 2014 Agenda meeting.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Solomon	Aye
	Commissioner Fox	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye

EXECUTIVE SESSION

After appropriate motion, the following matter, which involved the attorney-client privilege, exception to the Open Public Meetings Act, was discussed in Executive Session.

2. ENERGY

A. Docket No. ER13050378 - In the Matter of the Provision of Basic Generation Service for the Period Beginning June 1, 2014.

DISCUSSION: FP Auction Summary:

The BGS-FP Auction began on February 10, 2014 and ended on February 11, 2014. It lasted 16 rounds. 53 of the electric distribution companies' (EDCs) 53 tranches were filled by the auction. The auction had 14 registered bidders, and resulted with 8 winning bidders. The winning prices are:

EDC	Closing Price (Cents/Kwh)
ACE	8.780
JCP&L	8.444
PSE&G	9.739
Rockland	9.561

A summary of the rate impact on residential customers is attached to your Agenda memo.

CIEP Auction Summary:

The BGS-CIEP Auction began on February 7, 2014 and ended on February 10, 2014. It lasted 31 rounds. 45 of the electric distribution companies' (EDCs) 45 tranches were filled by the auction. The auction had 8 registered bidders, and resulted with 5 winning bidders. The winning prices are:

EDC	Closing Price \$/Mw-day
ACE	235.22
JCP&L	254.79
PSE&G	284.04
Rockland	290.41

Recommendation:

The Auction Manager responsible for conducting the 2014 auctions was the National Economic Research Associates (NERA).

The auctions were also continuously monitored by Staff from the Division of Energy, as well as by the Board's consultant, Boston Pacific Company (BP).

Both the independent NERA and Boston Pacific post auction reports are consistent with each other and indicate that the Auctions proceeded without interruption, according to the Board-approved Auction rules, in an acceptably fair and transparent manner, and that the Board should certify the Auction results.

Staff assigned to oversee the Auctions also recommended the Board certify the final results of the BGS-FP and BGS-CIEP Auctions in their entirety and approve the closing prices for each EDC.

The Board discussed the Auction results with Staff and its consultants. The winning bids will result in lower costs for all but one company, PSE&G, whose costs are higher due to the increased cost of transmission.

After appropriate motion, the Board reconvened to Open Session.

There being no further business before the Board, the meeting was adjourned.



DATE: April 23, 2014

KRISTI IZZO
BOARD SECRETARY