

Agenda Date: 4/25/2018

Agenda Item: 2A

ENERGY

STATE OF NEW JERSEY

Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

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IN THE MATTER OF THE PROVISION OF BASIC)	DECISION AND ORDER
GENERATION SERVICE (BGS) FOR THE PERIOD	ý	
BEGINNING JUNE 1, 2019)	DOCKET NO. ER18040356

Parties of Record:

Hesser G. McBride, Esq., on behalf of Public Service Electric and Gas Company Gregory Eisenstark, Esq., Windels Marx Lane & Mittendorf, LLP, on behalf of Jersey Central Power & Light Company Philip J. Passanante, Esq., on behalf of Atlantic City Electric Company Margaret Comes, Esq., on behalf of Rockland Electric Company Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:1

By prior Board Orders in Docket No. ER16040337 dated October 31, 2016, and Docket No. ER17040335 dated November 21, 2017, the Board approved, with modifications, the joint Basic Generation Service ("BGS") proposals of the State's Electric Distribution Companies ("EDCs") — Atlantic City Electric Company ("ACE"), Jersey Central Power & Light Company ("JCP&L"), Public Service Electric and Gas Company ("PSE&G") and Rockland Electric Company ("Rockland") — that used a descending clock auction format to procure two-thirds of the State's BGS requirements for Residential and Small Commercial Pricing ("RSCP") customers for the period beginning June 1, 2019 and ending May 31, 2020. In those prior Orders, the Board did not address how the remaining BGS requirements for RSCP customers, as well as the State's annual BGS requirements for Commercial and Industrial Energy Pricing ("CIEP") customers, would be procured for the this period.²

¹ Commissioner Robert M. Gordon recused himself due to a potential conflict of interest and as such took no part in the discussion or deliberation of this matter.

² If the EDCs continue to propose a three year rolling product as in the past, the BGS RSCP requirements procured for the period beginning June 1, 2019 will supply one-third of the BGS RSCP load for the period June 1, 2019 through May 31, 2022.

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Agenda Item: 2A

Prior Board Orders also approved a process for Rockland to procure the capacity and energy needs of its Central and Western Divisions, where previous purchases of capacity and energy were from the New York Independent System Operator ("NYISO"). Going forward the procurement of capacity and energy needs for those regions will need to be addressed by Rockland in its company specific proposal to the extent not otherwise addressed by the Board.

The process adopted by the Board to determine how to procure BGS for the past seventeen years has provided an opportunity for participation by all interested parties through both written comments and at public hearings. These procedures have resulted in a wide range of BGS suggestions, a timely Board decision and, ultimately, a successful procurement process. Accordingly, the Board intends to initiate a proceeding to determine the best procurement process for BGS-RSCP and BGS-CIEP requirements, and the capacity needs of Rockland's non-PJM service area within New Jersey, for the period beginning June 1, 2019. This proceeding is similar to the process that has been employed for the past seventeen years. The proceeding will include an invitation for all parties to propose how to procure BGS supply, the ability for all parties to issue discovery, provide written comments to the Board, and provide for oral testimony at both legislative type and public hearings where the Board encourages the use of expert testimony. The proposed procedural schedule anticipates a Board decision on the process in November 2018, a BGS procurement process in February 2019, and a Rockland process for its non-PJM service area's capacity needs.

Therefore, the Board <u>DIRECTS</u> the EDCs - ACE, JCP&L, PSE&G and Rockland - to file proposals no later than July 2, 2018, addressing how to procure the remaining one third of the State's BGS-RSCP requirements and the annual BGS-CIEP requirements for the period beginning June 1, 2019, including directing Rockland to file a proposal as part of its July 2, 2018 BGS filing to procure the BGS capacity requirements for its non-PJM service area within New Jersey for the period beginning June 1, 2019. In addition, the Board also invites all other interested stakeholders to file alternative BGS proposals with the Board by July 2, 2018.

Furthermore, the Board <u>ADOPTS</u> the preliminary procedural schedule contained in Attachment A to this Order.

All discovery and comments must be filed with the Board's Secretary, and also be electronically served via email to parties on the attached e-service list. Parties wishing to be added to the e-service list may do so by emailing Stacy Peterson at stacy.peterson@bpu.ni.gov.

All parties should adhere to the attached schedule unless otherwise directed. Parties will be advised of the time and place of the legislative-style hearing identified in Attachment A electronically via email, and through a posting on the Board's webpage. The Board and/or Staff will also notify parties through the electronic service list and, when possible, through the Board's webpage, of the time and location of any meetings or hearings as well as of any schedule changes.

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This Order shall become effective May 5, 2018.

DATED: 4\25/18

BOARD OF PUBLIC UTILITIES

BY:

JOSEPH L. FIORDALISO PRESIDENT

COMMISSIONER

COMMISSIONER

COMMISSIONER

ATTEST:

SECRETARY

HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities.

ATTACHMENT A

Preliminary 2019 BGS Schedule

DATE	Activity or Decision Point
7/102/12018	Filing of Proposals and/or Modifications for BGS for the period beginning June 1,
- 旗集 2000年 1000年 1000年	2019
** 7/128/2018	Discovery request deadline
. 8/6/2018	Discovery response deadline
9 <i>/6/2</i> 013	Deadline for Initial Comments on all proposals
TEA	Legislative-type Hearing*
AETT	Public Hearings*
10/3/2013	Deadline for Final Comments**
Nov. 2013	Expected Board decision on BGS proposals
Dec 2018	EDC Compliance Filings
Deg. 2018	Expected Board decision on Compliance Filings
Fcb. 2019	Procurement Process for BGS Supply requirements

^{*} This is a placeholder for the Legislative-type Hearing and the Public Hearings (for the public hearings the time and place will be scheduled by the EDCs in conjunction with the BPU), as required.

^{**} Final Comments should only be used to respond to issues raised either in the Initial Comments, or at the Legislative-type Hearing. They should not be used to raise new issues in this proceeding.

In the Matter of the Provision of Basic Generation Service For the Period Beginning June 1, 2019 Docket No. ER18040356 Service List

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