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NEW JERSEY BOARD OF PUBLIC UTILITIES

PRESS RELEASE

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New Jersey Board of Public Utilities Approves 2020 Electricity Auction Results

TRENTON, N.J. – The New Jersey Board of Public Utilities (NJBPUB) today approved the results of the state’s 19th annual electricity auction for Basic Generation Service (BGS), resulting in slightly higher costs for electricity supplied to most residents and small and/or medium-sized businesses by Public Service Electric & Gas Company (PSE&G), Jersey Central Power & Light Company (JCP&L), and Atlantic City Electric Company (ACE), collectively, the New Jersey Electric Distribution Companies (EDCs). There will be a slight decrease for most Rockland Electric Company (Rockland) residents and small and/or medium-sized businesses.

“In 2020 the weighted average electric costs, which is based on the results of the last three annual auctions, will increase slightly, in large part due to increased transmission costs that are set by our federal counterparts at FERC,” said Joseph L. Fiordaliso, NJBPUB President. “We will continue to monitor transmission proceedings at FERC, consistent with the goals of the Murphy Administration.”

The BGS auction determines, in part, the cost of electricity for most New Jersey residents and small and/or medium-sized businesses for a twelve-month period starting June 1, 2020. Winning prices for three of the four EDCs decreased between 5.4 percent and 6.4 percent compared to last year’s auction, while winning prices for PSE&G increased by 4.2 percent due to higher costs for transmission service. However, due in part to the fact that winning contracts are replacing older, less expensive contracts from three years ago, the average monthly BGS residential ratepayer bill is expected to increase slightly. Specifically, residential ratepayers supplied by PSE&G will see an average estimated bill increase of 4.4 percent, ratepayers supplied by JCP&L will see an average estimated bill increase of 2.4 percent, ratepayers supplied by ACE will see an average estimated bill increase of 0.3 percent. Ratepayers supplied by Rockland will see an average estimated bill decrease of 1.6 percent.

The following table illustrates how the auction results will affect electricity supply costs for the average residential customer when the new rates take effect on June 1, 2020:

Monthly Impact of BGS Auction on Average Residential Accounts

Utility Company	Usage (kWh)	Current Bill	Increase or Decrease	New Bill	Percent Change
ACE	650	\$125.15	\$0.40	\$125.55	0.3%
JCP&L	650	\$85.41	\$2.09	\$87.50	2.4%
PSE&G	650	\$117.60	\$5.20	\$122.80	4.4%
Rockland	650	\$117.08	-\$1.89	\$115.19	-1.6%

The Board's approval of the BGS results covers two separate descending clock auctions conducted by NERA Economic Consulting beginning January 31 and ending February 4. The auction for Commercial and Industrial Energy Price (CIEP) service for large commercial and industrial customers was conducted on January 31, and the auction for Residential and Small Commercial Pricing (RSCP) service for residential and small-to-medium sized commercial customers ran from February 3 through February 4. Both auctions secured commitments for up to approximately \$6 billion worth of purchases covering approximately 7,700 megawatts (MWs) of customer requirements.

The energy secured in the RSCP auction will meet one-third of the state's residential and small business electric load requirements for the next three energy years, starting June 1, 2020. The remaining two-thirds of customer supply requirements for the twelve-month time period beginning June 1, 2020, will be met by electric supply secured in the BGS Auctions of 2018 and 2019. The supply acquired through the CIEP auction is for one year. The state's four regulated electric distribution companies do not earn a profit on the cost of the electric supply secured in the auctions. These costs are passed through directly to ratepayers.

For CIEP ratepayers, when compared to last year, the prices for all EDCs are higher. The CIEP price is primarily driven by the cost of electric generating capacity from PJM's Reliability Pricing Model Auction and the cost of meeting the State Renewable Portfolio Standard. Capacity prices for all EDCs increased this year. The CIEP price constitutes only a small portion of monthly bills of CIEP customers for the period from June 1, 2020 to May 31, 2021; the price of other components has remained fairly stable.

The CIEP product is a full requirements product for which the Board bids out certain components and relies on spot prices for energy. As of December 2019, approximately 82 percent of the CIEP load is being provided through individual contracts with third-party suppliers. These contracts are negotiated in the competitive marketplace and are not affected by the CIEP auction results.

BGS-RSCP 36-Month Tranches (One “tranche” equals approximately 100 MW):

Electric Utility	Closing Price (cents/Kwh)	Total Tranches
ACE	8.269	8
JCP&L	7.243	15
PSE&G	10.216	28
Rockland	8.242	2

BGS-CIEP 1-year Tranches (One “tranche” equals approximately 75 MW):

Electric Utility	Closing Price \$/Mw-day	Total Tranches
ACE	350.55	4
JCP&L	321.00	12
PSE&G	359.98	24
Rockland	383.31	1

The winning bidders of the Residential and Small Commercial Pricing Auction are:

Axpo U.S., LLC
 BP Energy Company
 Calpine Energy Services L.P.
 Covanta Energy Marketing, LLC
 DTE Energy Trading, Inc.
 Exelon Generation Company, LLC
 NextEra Energy Marketing, LLC
 PSEG Energy Resources & Trade, LLC
 Shell Energy NextEra Energy Marketing, LLC

The BGS-CIEP Auction winners are:

DTE Energy Trading, Inc.
 Exelon Generation Company, LLC
 Hartree Partners, L.P.
 NextEra Energy Marketing, LLC
 PSEG Energy Resources & Trade LLC

About the New Jersey Board of Public Utilities (NJBPU)

NJBPU is a state agency and regulatory authority mandated to ensure safe, adequate and proper utility services at reasonable rates for New Jersey customers. Critical services regulated by NJBPU include natural gas, electricity, water, wastewater, telecommunications and cable television. The Board has general oversight and responsibility for monitoring utility service, responding to consumer complaints, and investigating utility accidents. To find out more about NJBPU, visit our web site at www.nj.gov/bpu.