



STATE OF NEW JERSEY
Board of Public Utilities
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**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF PUBLIC UTILITIES**

A Special Board meeting of the Board of Public Utilities was held on February 10, 2017, at the Board's Office, 44 South Clinton Avenue First Floor, Board Room, Trenton, New Jersey 08625.

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:¹

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:

Richard S. Mroz, President
Joseph L. Fiordaliso, Commissioner
Mary-Anna Holden, Commissioner
Dianne Solomon, Commissioner
*Upendra J. Chivukula, Commissioner

*Commissioner Chivukula participated by telephone.

President Mroz presided at the meeting and Cynthia E. Covie, Chief of Staff as Acting Secretary of the Board, carried out the duties of Secretary.

It was announced that the next regular Board Meeting would be held on February 22, 2016 at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08608.

¹ Due to a State of Emergency, the meeting, originally noticed for February 9, 2017, was rescheduled and noticed for February 10, 2017.

2. ENERGY

A. Docket No. ER16040337 - In the Matter of the Provision of Basic Generation Service (BGS) for the Period Beginning June 1, 2017

Thomas N. Walker, P.E., Director, Division of Energy, presented these matters.

Discussion: The results of the BGS-RSCP and BGS-CIEP Auctions, indicating when they opened and closed, the number of rounds and the final Auction prices. Representatives from Bates White, LLC (Bates White), the Board's consultant assigned to oversee the Auction process, and National Economic Research Associates (NERA), the auction manager, both indicated to the Board that they were satisfied with the auction process and the results, and recommended the Board certify the results.

BGS-RSCP AUCTION SUMMARY

The BGS-RSCP Auction began on February 6, 2017 and ended on February 7, 2017. It lasted 19 rounds. All of the electric distribution companies' (EDCs) 53 tranches were filled by the auction. The auction had 13 registered bidders, and resulted with 10 winning bidders. The winning prices are:

<u>EDC</u>	<u>Closing Price</u> <u>¢/Kwh</u>
ACE	7.549
JCP&L	6.908
PSE&G	9.078
Rockland	8.050

BGS-CIEP AUCTION SUMMARY

The BGS-CIEP Auction began on February 3, 2017 and ended on February 6, 2017. It lasted 25 rounds. All of the EDCs' 43 tranches were filled by the auction. The auction had 6 registered bidders, and resulted with 6 winning bidders. The winning prices are:

<u>EDC</u>	<u>Closing Price</u> <u>\$/Mw-day</u>
ACE	217.00
JCP&L	218.00
PSE&G	276.83
Rockland	223.61

Recommendation:

The Auction Manager responsible for conducting the 2017 Auctions was NERA. The Auctions were also continuously monitored by Board Staff from the Division of Energy, as well as by the Board's consultant, Bates White.

NERA and Bates White both provided Board approved auction checklists that have been reviewed by Staff, and that included an in-depth analysis on how the BGS-RSCP and BGS-CIEP Auctions were conducted.

Both the independent NERA and Bates White 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 recommended that the Board certify the Auction results.

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

Staff recommended that the Board adopt the BGS-RSCP and BGS-CIEP auction prices, and 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, 2017; and 3) to file tariff sheets reflecting those rates by March 24, 2017.

Commissioner Fiordaliso stated that he was very pleased with the results of this year's auction. Further, he said that it cements how competitive the auction is, and how beneficial it is to ratepayers. Finally, he said that he looks forward to many more productive auctions that will benefit the people of New Jersey.

Commissioner Solomon asked if there was any change that would indicate that people are doing more shopping for other energy suppliers in New Jersey. In addition, Commissioner Solomon noted how competitive our auction is.

Commissioner Chivukula asked if the 500 kw customers and above are the ones who shop around.

President Mroz noted that it is a robust auction that delivers a real benefit to the customers of the State. He also noted that the results this year are gratifying. They are a reflection of this administration's policies, as well as a recognition that in the marketplace there is great value in the generation community coming forward, the competition that's out there, and the continued supply, which at the end of the day does result in better rates for customers in this State. Finally, President Mroz said that when we see the magnitude of the reduction of the prices for the year, coming off the auction three years ago, and we see a reduction in costs between six and eighteen percent from those numbers, it is a reflection of policies that are working, and a market that has been competitive.

DECISION: The Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Mroz	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye

EXECUTIVE SESSION

After appropriate motion, pursuant to the exception to the Open Public Meetings Act under N.J.S.A. 10:4-12 (b)(1), the following matter was discussed in Executive Session.

2. ENERGY

A. Docket No. ER16040337 - In the Matter of the Provision of Basic Generation Service (BGS) for the Period Beginning June 1, 2017

Discussion: The results of the BGS-RSCP and BGS-CIEP Auctions, indicating when they opened and closed, the number of rounds and the final Auction prices. Representatives from Bates White, LLC (Bates White), the Board's consultant assigned to oversee the Auction process, and National Economic Research Associates (NERA), the auction manager, both presented their independent analyses with respect to the auction and the results. The information presented included information with respect to the auction procedures, bidders and pricing information. Both NERA and Bates White indicated they were satisfied with the auction process and the results.

BGS-RSCP AUCTION SUMMARY

The BGS-RSCP Auction began on February 6, 2017 and ended on February 7, 2017. It lasted 19 rounds. All of the electric distribution companies' (EDCs) 53 tranches were filled by the auction. The auction had 13 registered bidders, and resulted with 10 winning bidders. The winning prices, bid procedures and auction participation were discussed.

BGS-CIEP AUCTION SUMMARY

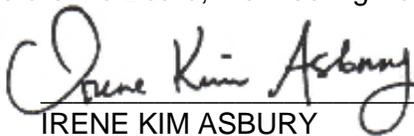
The BGS-CIEP Auction began on February 3, 2017 and ended on February 6, 2017. It lasted 25 rounds. All of the EDCs' 43 tranches were filled by the auction. The auction had 6 registered bidders, and resulted with 6 winning bidders. The winning prices, bid procedures and auction participation were discussed.

Recommendation:

NERA, Bates White, and Staff assigned to oversee the Auctions, recommended that the Board certify the final results of the BGS-RSCP and BGS-CIEP Auctions in their entirety and approve the closing prices for each EDC.

After appropriate motion, the Board reconvened to Open Session.

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



IRENE KIM ASBURY
BOARD SECRETARY

DATE: August 23, 2017