



Agenda Date: 05/25/16
Agenda Item: 2B

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/

ENERGY

IN THE MATTER OF THE PROVISION OF BASIC)
GENERATION SERVICE (BGS) FOR THE PERIOD)
BEGINNING JUNE 1, 2017)
)
) DOCKET NO. ER16040337

Parties of Record:

- Alexander C. Stern, 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:

By prior Board Orders in Docket No. ER14040370 dated November 24, 2014, and Docket No. ER15040482 dated November 16, 2015, 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 36 months for periods extending to May 31, 2019. 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 period beginning June 1, 2017.¹

¹ 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, 2017 will supply one-third of the BGS RSCP load for the period June 1, 2017 through May 31, 2018, one-third of the BGS RSCP load for the period June 1, 2018 through May 31, 2019, and one-third of the BGS RSCP load for the period June 1, 2019 through May 31, 2020.

Prior Board orders had 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.

The process adopted by the Board to determine how to procure BGS for the past fifteen 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, 2017. This proceeding is similar to the process that has been employed for the past fifteen 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 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 2016, a BGS procurement process in February 2017, and a Rockland process for its non-PJM service area's capacity needs.

Therefore, the Board **DIRECTS** the EDCs - ACE, JCP&L, PSE&G and Rockland - to file proposals no later than July 1, 2016, 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, 2017, including directing Rockland to file a proposal as part of its July 1, 2016 BGS filing to procure the BGS capacity and energy requirements for its non-PJM service area within New Jersey for the period beginning June 1, 2017. In addition, the Board also invites all other interested stakeholders to file alternative BGS proposals with the Board by July 1, 2016.

Furthermore, the Board **ADOPTS** the preliminary procedural schedule contained in Attachment A to this Order.

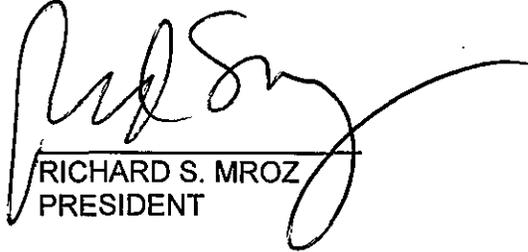
All discovery and comments must be filed with the Board's Secretary, and also be electronically served via email to parties on the attached e-service list. Parties wishing to be added to the e-service list may do so by emailing Richard DeRose at Richard.derose@bpu.state.nj.us.

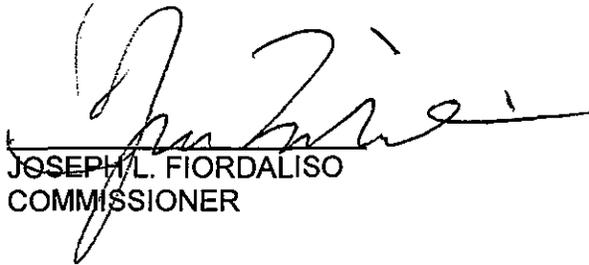
All parties should adhere to the attached schedule unless otherwise directed. Parties will be advised of the time and place of the legislative-style hearing identified in Attachment A electronically via email, and through a posting on the Board's webpage. The Board and/or Staff will also notify parties 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.

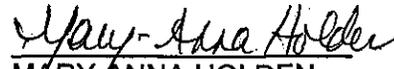
This Order shall become effective on June 4, 2016.

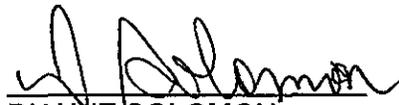
DATED: *May 25, 2016*

BOARD OF PUBLIC UTILITIES
BY:

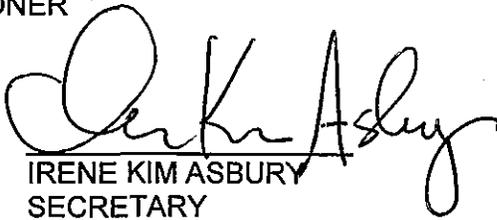

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ATTEST: 
IRENE KIM ASBURY
SECRETARY

I 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 2017 BGS Schedule

DATE	Activity or Decision Point
7/01/2016	Filing of Proposals and/or Modifications for BGS for the period beginning June 1, 2017
7/25/2016	Discovery request deadline
8/8/2016	Discovery response deadline
9/5/2016	Deadline for Initial Comments on all proposals
TBA	Legislative-type Hearing*
TBA	Public Hearings*
10/3/2016	Deadline for Final Comments**
Nov. 2016	Expected Board decision on BGS proposals
Nov/Dec	EDC Compliance Filings
Dec. 2016	Expected Board decision on Compliance Filings
Feb. 2017	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, 2017**

**Docket No. ER16040337
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For the Period Beginning June 1, 2017**

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