

Agenda Date: 3/27/20 Agenda Item: 2C

## STATE OF NEW JERSEY

Board of Public Utilities
44 South Clinton Avenue, 9<sup>th</sup> Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

		<u>ENERGY</u>
IN THE MATTER OF THE PROVISION OF BASIC GENERATION SERVICE (BGS) FOR THE PERIOD	)	DECISION AND ORDER
BEGINNING JUNE 1, 2021	)	DOCKET NO. ER20030190

#### Parties of Record:

**Matthew Weissman, Esq.,** on behalf of Public Service Electric and Gas Company **Gregory Eisenstark**, **Esq.,** Windels Marx Lane & Mittendorf, LLP, on behalf of Jersey Central Power and 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:

The Board issued Orders in Docket No. ER18040356 dated November 19, 2018 and Docket No. ER19040428 dated November 13, 2019, which 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 and 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, 2021 and ending May 31, 2022. 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 this period.<sup>1</sup>

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 and to the extent not previously addressed by the Board, Rockland will need to address the procurement of capacity and energy needs for those regions in its company specific proposal.

1

<sup>&</sup>lt;sup>1</sup> If the EDCs continue to propose a three (3) year rolling product as in the past, the BGS RSCP requirements procured for the period beginning June 1, 2021 will supply one-third of the BGS RSCP load for the period June 1, 2021 through May 31, 2024.

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The process adopted by the Board to determine how to procure BGS for the past 19 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 and energy needs of Rockland's non-PJM service area within New Jersey, for the period beginning June 1, 2021. This proceeding is similar to the process employed for the past 19 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 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 2020, a BGS procurement process in February 2021, 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 1, 2020, 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, 2021 and <u>DIRECTS</u> Rockland to file a proposal as part of its July 1, 2020 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, 2021. In addition, the Board also invites all other interested stakeholders to file alternative BGS proposals with the Board by July 1, 2020.

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 electronic service list. Parties may request to be added to the electronic service list by emailing Stacy Peterson at <a href="mailto:stacy.peterson@bpu.nj.gov">stacy.peterson@bpu.nj.gov</a> and Ryan Moran at <a href="mailto:ryan.moran@bpu.nj.gov">ryan.moran@bpu.nj.gov</a>.

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 Board 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 April 6, 2020.

DATED: March 27, 2020

**BOARD OF PUBLIC UTILITIES** 

BY:

JOSEPH L. FIORDALISO

PRESIDENT

**COMMISSIONER** 

DIANNE SOLOMON COMMISSIONER

UPENDRA J. CHIVUKULA

**COMMISSIONER** 

**ROBERT M. GORDON** COMMISSIONER

ATTEST:

AIDA CAMACHO-WELCH

**SECRETARY** 

#### **Service List**

#### **BPU**

New Jersey Board of Public Utilities 44 South Clinton Ave. 9th Floor Post Office Box 350 Trenton, NJ 08625-0350

Aida Camacho-Welch, Secretary aida.camacho@bpu.nj.gov

Paul Flanagan, Executive Director paul.flanagan@bpu.nj.gov

Robert Brabston, Deputy Executive Director robert.brabston@bpu.nj.gov

Stacy Peterson, Director <a href="mailto:stacy.peterson@bpu.nj.gov">stacy.peterson@bpu.nj.gov</a>

Ryan Moran ryan.moran@bpu.nj.gov

Heather Weisband, Senior Counsel heather.weisband@bpu.nj.gov

#### **Division of Law**

25 Market Street Post Office Box 112 Trenton, NJ 08625-0112

Pamela Owen, Esq. pamela.owen@law.njoag.gov

Michael Beck, DAG michael.beck@law.njoag.gov

Daren Eppley, DAG daren.eppley@law.njoag.gov

#### **BPU's BGS CONSULTANTS**

Frank Mossburg
Managing Director
Bates White, LLC
2001 K Street, NW
North Building, Suite 500
Washington DC, 20006
frank.mossburg@bateswhite.com

## **DIVISION OF RATE COUNSEL**

140 East Front Street, 4th Floor Post Office Box 003 Trenton, New Jersey 08625

Stefanie A. Brand, Esq., Director <a href="mailto:sbrand@rpa.nj.gov">sbrand@rpa.nj.gov</a>

Brian Lipman blipman@rpa.nj.gov

Ami Morita amorita@rpa.nj.gov

David Wand dwand@rpa.nj.gov

Debra Layugan dlayugan@rpa.nj.gov

#### **Rate Counsel Consultant**

Max Chang Synapse Energy Economics, Inc. 485 Massachusetts Ave., Suite 2 Cambridge, MA 02139 mchang@synpase-energy.com

#### PSE&G

Terrance J. Moran PSE&G 80 Park Plaza, T-13 Newark, NJ 07102-4194 terrance.moran@pseg.com

Matthew Weissman, Esq. PSE&G 80 Park Plaza, T-5 Newark, NJ 07102-4194 matthew.weissman@pseg.com

## ATLANTIC CITY ELECTRIC CO.

Pepco Holdings, LLC – 92DC56 500 N. Wakefield Drive PO Box 6066 Newark, DE 19714-6066

Susan DeVito <a href="mailto:susan.devito@pepcoholdings.com">susan.devito@pepcoholdings.com</a>

Philip J. Passanante, Esq. <a href="mailto:philip.passanante@pepcoholdings.com">philip.passanante@pepcoholdings.com</a>

Thomas M. Hahn
Pepco Holdings, LLC-63ML38
5100 Harding Highway
Mays Landing, NJ 08330
thomas.hahn@pepcoholdings.com

Daniel A. Tudor Pepco Holdings, Inc. 701 Ninth Street NW Washington, DC 20001 datudor@pepco.com

## JCP&L

Jennifer Spricigo Jersey Central Power & Light Co. 300 Madison Avenue Morristown, NJ 07962-1911 jspricigo@firstenergycorp.com

Gregory Eisenstark Cozen O'Connor One Gateway Center – Suite 2600 Newark, NJ 07102 geisenstark@cozen.com

#### **ROCKLAND**

Consolidated Edison Co. of NY 4 Irving Place New York, NY 10003

John L. Carley, Esq. carleyj@coned.com

William A. Atzl, Jr. atzlw@coned.com

Margaret Comes, Esq., comesm@coned.com

James C. Meyer, Esq. Riker, Danzig, Scherer, Hyland & Perretti Headquarters Plaza One Speedwell Avenue Morristown, NJ 07962 imeyer@riker.com

### **NERA**

Paul Cardona NERA Economic Consulting 777 S. Figueroa, Suite 1950 Los Angests, CA 90017 paul.cardona@NERA.com

Chantale LaCasse
NERA Economic Consulting
1166 Avenue of the Americas
New York, NY 10036
chantale.lacasse@nera.com

#### Service List

#### **Third Party Suppliers**

Murray E. Bevan, Esq. Bevan, Mosca, Giuditta & Zarillo, P.C. 222 Mount Airy Road, Suite 200 Basking Ridge, NJ 07920 mbevan@bmgzlaw.com

Dana Swieson
EPEX
717 Constitutional Drive
Suite 110
Exton, PA 19341
dana.swieson@epex.com

Marc A. Hanks Senior Manager, Government & Regulatory Affairs Direct Energy Services, LLC Marc.Hanks@directenergy.com

Stacey Rantala
National Energy Marketers Association
3333 K Street, N.W., Suite 110
Washington, D.C. 20007
<a href="mailto:srantala@energymarketers.com">srantala@energymarketers.com</a>

David B. Applebaum
Director, Regulatory Affairs
NextEra Energy Resources, LLC
21 Pardee Place
Ewing, New Jersey 08628
david.applebaum@nexteraenergy.com

David Gil Manager, Regulatory Affairs NextEra Energy Resources, LLC 700 Universe Boulevard Juno Beach, Florida 33408 david.gil@nexteraenergy.com

Kathleen Maher
Constellation NewEnergy
810 Seventh Avenue, Suite 400
New York, NY 10019-5818
kathleen.maher@constellation.com

## **NJLEUC**

Paul F. Forshay, Partner Eversheds-Sutherland, LLP 700 Sixth Street, NW, Suite 700 Washington, D.C. 20001-3980 paul.forshay@eversheds-sutherland.com

Steven S. Goldenberg, Esq. Giordano, Halleran & Ciesla, P.A. 125 Half Mile Road, Suite 300 Red Bank, NJ 07701 sgoldenberg@ghclaw.com

#### **BGS Suppliers**

Steven Gabel - IEPNJ Gabel Associates 417 Denison Street Highland Park, NJ 08904 steven@gabelassociates.com

James Laskey, Esq. - IEPNJ Norris McLaughlin & Marcus 721 Route 202-206 Bridgewater, NJ 08807 jlaskey@nmmlaw.com

Raymond Depillo PSEG Services Corporation 80 Park Plaza, T-19 P.O. Box 570 Newark, NJ 07101 raymond.depillo@pseg.com

Shawn P. Leyden, Esq.
PSEG Energy Resources & Trade
80 Park Plaza, T-19
P. O. Box 570
Newark, NJ 07101
shawn.leyden@pseg.com

Jason Halper
Cadwalader, Wickersham & Taft LLP
700 Sixth Street, SW
Washington, DC 20001
jason.halper@cwt.com

David K Richter, Esq. PSEG Regulatory Department 80 Park Plaza, T-5C P. O. Box 570 Newark, NJ 07101 david.richter@pseg.com

Craig S. Blume
Director, Power Marketing
UGI Energy Services / UGI Development
Company
One Meridian Boulevard, Suite 2C01
Wyomissing, PA 19610
cblume@ugies.com

Marcia Hissong, Director, Contract Administration/Counsel DTE EnergyTrading, Inc. 414 South Main Street Suite 200 Ann Arbor, MI 48104 hissongm@dteenergy.com

Don Hubschman American Electric Power 155 W. Nationwide Blvd. Columbus, OH 43215 dmhubschman@aepes.com Christine McGarvey AEP Energy Partners, Inc. Energy Trader 155 W Nationwide Blvd Suite 500 Columbus, OH 43215 clmcgarvey@aepes.com

Matthew Davies
TransCanada Power Marketing Ltd.
110 Turnpike Road, Suite300
Westborough, MA 01581
Matthew daview@transcanada.com

Glenn Riepl AEP Energy Services 1 Riverside Plaza 14th Floor Columbus, OH 43215-2373 gfriepl@aep.com

Howard O. Thompson - BGS Russo Tumulty Nester Thompson Kelly, LLP 240 Cedar Knolls Road Suite 306 Cedar Knolls, NJ 07927 hthompson@russotumulty.com

Sharon Weber PPL Energy Plus 2 North 9th Street TW 20 Allentown, PA 18101 sjweber@pplweb.com

Glen Thomas
The P³ Group
GT Power Group LLC
1060 First Avenue
Suite 400
King of Prussia, PA 19406
Gthomas@gtpowergroup.com

Divesh Gupta, Esq.
Exelon Business Services Corp.
111 Market Place
Suite 1200C
Baltimore, Maryland 21202
divesh.gupta@constellation.com

Tom Hoatson LS Power Development, LLC 2 Tower Center East Brunswick, NJ 08816 thoatson@lspower.com

Adam Kaufman
Executive Director
Independent Energy Producers of NJ
Five Vaughn Drive, Suite 101
Princeton, NJ 08540
<a href="mailto:akaufman@kzgrp.com">akaufman@kzgrp.com</a>

#### Service List

Anthony Pietranico ConEdison Solutions Inc. Electricity Supply Specialist Tel: 732-741-5822 x204

pietranicoa@conedsolutions.com

Holly Reed
Gabel Associates
417 Denison Street
Highland Park, NJ 08904
holly.reed@gabelassociates.com

Aundrea Williams
Director Regulatory Affairs
NextEra Power Marketing LLC
700 Universe Boulevard
Juno Beach, Fl. 33408
aundrea.williams@nexteraenergyservices.com

Ira G. Megdal Cozen O'Connor 457 Haddonfield Road Suite 300 P.O. Box 5459 Cherry Hill, NJ 08002 imegdal@cozen.com

Christi L. Nicolay Division Director Macquarie Energy LLC 500 Dallas St., Level 31 Houston, TX 77002 Christi.Nicolay@macquarie.com

Becky Merola Noble Americas Energy Solutions, LLC 5325 Sheffield Avenue Powell, OH 43065 bmerola@noblesolutions.com

Joe Wadsworth
Vitol Inc.
2925 Richmond Ave, 11th Floor
Houston, TX 77098
jxw@vitol.com

Henry Gillam Hartree Partners, LP 8 Market PI, Suite 500A Baltimore, MD 21202 hgillam@hartreepartners.com

Chris Codd, Senior Regulatory Advisor TransAlta 110 – 12th Avenue SW PO Box 1900, Station "M" Calgary, AB T2P 2M1 chris codd@transalta.com

## **Other Parties**

Ray Cantor NJBIA 10 West Lafayette Street Trenton, NJ 08608-2002 rcantor@njbia.org

John Holub NJ Retail Merchants Assoc. 332 West State Street Trenton, NJ 08618 John@njrma.org

# ATTACHMENT A

# **Preliminary 2021 BGS Schedule**

DATE	Activity or Decision Point
7/01/2020	Filing of Proposals and/or Modifications for BGS for the period beginning June 1,
	2021
7/22/2020	Discovery request deadline
8/5/2020	Discovery response deadline
9/4/2020	Deadline for Initial Comments on all proposals
TBA	Legislative-type Hearing*
TBA	Public Hearings*
10/5/2020	Deadline for Final Comments**
Nov. 2020	Expected Board decision on BGS proposals
Dec 2020	EDC Compliance Filings
Dec. 2020	Expected Board decision on Compliance Filings
Feb. 2021	Procurement Process for BGS Supply requirements

<sup>\*</sup> 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.

<sup>\*\*</sup> 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.