

ATTACHMENT B

POST-AUCTION ASSESSMENT FOR THE NEW JERSEY BGS AUCTION

This assessment summarizes the findings of _____ with regard to the auction of Basic Generation Service in New Jersey.

The auction began with the opening of Round 1 at _____ on _____, 2002.

The auction finished with the close of Round __ at _____ on _____, 2002.

SUMMARY OF BGS AUCTION

Aggregate eligibility ratio at start of auction: _____

(If applicable) Aggregate eligibility ratio after final revision to auction volume / timing of volume revision: _____

Table 1	PSE&G	GPU	Conectiv	RECO	State-wide
(1) Quantity available at start of auction (# tranches / % of BGS Load)					
(2) Load cap (# tranches / % of BGS Load)					
(3) Final quantity available at auction (# tranches / % of BGS Load)					
(4) Quantity purchased (# tranches / % of BGS Load)					
(5) # Winning bidders					
(6) Maximum tranches purchased by any one bidder					
(7) Final minimum and maximum starting prices prior to indicative bids (cents/kWh)					
(8) Starting price at start of auction (cents/kWh)					
(9) Price paid to winning bidders (cents/kWh)					

OVERVIEW OF FINDINGS

(Some of the questions below refer to the occurrence of problems or unexpected events. In the comments we assess whether the response to these problems or unexpected events was appropriate and effective and whether these problems or unexpected events had a material effect on the auction.)

Table 2	
Question	Comments
(1) Recommendation as to whether the Board should certify the auction results?	
(2) Did bidders have sufficient information in a timely manner to prepare for the auction?	
(3) Were previously unresolved issues and questions resolved prior to the auction to minimize uncertainty for bidders?	
(4) Were any procedural problems or errors observed with the auction, including the electronic bidding process, the back-up bidding process, and communications between bidders and the Auction Manager?	
(5) Were protocols for communication between bidders and the Auction Manager adhered to?	
(6) Were any hardware or software problems or errors observed, either with the auction system or with its associated communications systems?	
(7) Did unanticipated delays, if any, appear to adversely affect bidding in the auction?	
(8) Were appropriate data back-up procedures carried out?	
(9) Were any security breaches observed with the auction process?	

Table 2

Question	Comments
(10) Were protocols followed for communications among the EDCs, the Auction Manager, BPU staff and advisors, and the Board (if necessary), during the auction?	
(11) Were the guidelines for setting the auction volume followed?	
(12) Was any discretion used in setting price decrements, and if so, was it used in a way that was beneficial to the auction?	
(13) Were the calculations (e.g., for bid decrements or bidder eligibility) produced by the auction software checked or reproduced off-line?	
(14) Was there evidence of confusion or misunderstanding on the part of bidders?	
(15) Were there effective communications between the Auction Manager and bidders?	
(16) Was there evidence that bidders felt unduly rushed during the process?	
(17) Were there any complaints from bidders about the process?	
(18) Was the auction carried out in an acceptably fair and transparent manner?	
(19) Was there evidence of non-productive “gaming” on the part of bidders?	
(20) Was there any evidence of collusion or improper coordination among bidders?	
(21) Other than issues discussed in item 20, was there any evidence of a breakdown in competition in the auction?	
(22) Was information made public appropriately?	

Table 2

Question	Comments
(23) Does the auction appear to have generated a result that is consistent with competitive bidding, market-determined prices, and efficient allocation of the BGS load?	
(24) Did any “extraordinary events” occur and were they handled appropriately?	
(25) Were there other factors, in addition to any noted in item 24, exogenous to the auction (e.g., changes in market environment) that materially affected the auction in unanticipated ways?	
(26) Are there any issues to note with regard to any specific EDC(s)?	