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Agenda Item: 2C

STATE OF NEW JERSEY
Board of Public Utilities
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ENERGY

IN THE MATTER OF THE PROVISION OF BASIC GENERATION SERVICE (BGS) FOR THE PERIOD BEGINNING JUNE 1, 2026	)))	DECISION AND ORDER DOCKET NO. ER25040190

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Kenneth Wan, Esq., Attorney for Atlantic City Electric Company
James Meehan, Esq., Attorney for Jersey Central Power & Light Company
Aaron Karp, Esq., Attorney for Public Service Electric and Gas Company
John Carley, Esq., Associate General Counsel for Rockland Electric Company

BY THE BOARD:

By this Decision and Order the New Jersey Board of Public Utilities ("Board" or "BPU") considers the procurement process for Basic Generation Service ("BGS") for retail customers who purchase their electric supply from their electric distribution company ("EDC") for the period beginning June 1, 2026.[1]

By Order dated April 23, 2025, the Board directed the EDCs and interested parties to file proposals by July 1, 2025, to determine how to procure the remaining one-third of the State's BGS requirements for Residential and Small Commercial Pricing ("RSCP") customers and the annual Commercial and Industrial Energy Pricing ("CIEP") requirements for the period beginning June 1, 2026.[2] The April 2025 Order also ordered RECO to file a proposal as part of its BGS filing to procure the BGS capacity requirements for its non-PJM Interconnection, LLC ("PJM") service area within New Jersey for the period beginning June 1, 2026, to the extent not previously addressed.

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[1] The EDCs are Atlantic City Electric Company ("ACE"), Jersey Central Power & Light Company ("JCP&L"), Public Service Electric and Gas Company ("PSE&G"), and Rockland Electric Company ("RECO").

[2] In re the Provision of Basic Generation Service (BGS) for the Period Beginning June 1, 2026, BPU Docket No. ER25040190, Order dated April 23, 2025 ("April 2025 Order").

The EDCs made a joint BGS filing on July 1, 2025 ("Proposal"). By September 5, 2025, the Board received Initial Comments on the Proposal. The Board held a Legislative-Type Hearing, chaired by President Christine Guhl-Sadovy, on September 18, 2025. On October 10, 2025, the Board received Final Comments on the Proposal.

Parties that filed either a proposal, comments, or appeared at the Legislative-Type hearing include the EDCs jointly, National Economic Research Associates ("NERA"), the New Jersey Division of Rate Counsel ("Rate Counsel"), Morgan Stanley Capital Group, Inc. ("MSCGI"), and NextEra Energy Marketing ("NextEra").

Virtual public hearings on the Proposal were held in the EDCs' service territories to allow members of the public to present their views on the procurement process proposed by the EDCs and the potential effect(s) on customers' rates.[3] No members of the public commented on the Proposal at the public hearings.

POSITIONS OF THE PARTIES: PROPOSALS, LEGISLATIVE HEARING TESTIMONY, INITIAL AND FINAL COMMENTS

The parties' filings largely rely on previous auctions and the Proposal as the basis for specific modifications. While this Order does not separately summarize each party's position in detail, the Board carefully reviewed each party's proposal and position before rendering this decision.

PROPOSAL

On July 1, 2025, the EDCs filed the Proposal for procuring BGS supply beginning on June 1, 2026, including proposed preliminary auction rules, Supplier Master Agreements ("SMAs"), and EDC-specific addenda.

The EDCs jointly proposed two (2) simultaneous, multi-round, descending clock auctions for procurement of services to meet the full electricity requirements (i.e., energy, capacity, ancillary services, etc.) of retail customers that have not chosen a third-party supplier ("TPS"). One (1) auction would procure service for a one (1)-year period, beginning June 1, 2026, for the larger Commercial and Industrial ("C&I") customers on the EDCs' systems, through an auction to provide hourly-priced service ("BGS-CIEP Auction"). The customers in this category represent approximately 2,679 megawatts ("MW") of load to be procured through bidding on an expected thirty-six (36) full-requirements tranches.[4] The Board approved the same type of auction last year in Docket No. ER24030191.[5] The second auction would procure one-third of the service requirements for all other customers of all four (4) EDCs for a three (3)-year period beginning June 1, 2026, through an auction ("BGS-RSCP Auction") for approximately 4,919 MW of load to

[3] ACE held its public hearing on September 8, 2025, JCP&L held its public hearing on September 9, 2025, PSE&G held its public hearing on September 10, 2025, and RECO held its public hearing on September 11, 2025.

[4] Tranche sizes are approximate amounts of BGS-CIEP eligible load and are as follows: ACE- 79.80 MW, JCP&L- 77.32 MW, PSE&G- 73.92 and RECO- 49.80 MW.

[5] In re the Provision of Basic Generation Service (BGS) for the Period Beginning June 1, 2025, BPU Docket No. ER24030191, Order dated November 21, 2024 ("November 2024 Order").

be served through fifty-three (53) full-requirements tranches of approximately 85 to 101 MW each.[6]

The competitive process by which the EDCs proposed to procure their supply requirements for BGS load for the period beginning June 1, 2026, is detailed in the Proposal and in Appendices A and B (Provisional BGS-CIEP and BGS-RSCP Auction Rules, respectively), which is similar to the auction process approved by the Board for the past twenty-four (24) years.

The Proposal considers each EDC's retail load a separate "product" in each Auction. Auction participants bid by stating the number of tranches they are willing to serve for each EDC at the prices in force at that point in the Auction. In the BGS-RSCP Auction, a price for an EDC is the amount, in cents per kilowatt-hour ("kWh"), to be paid for each kWh of BGS load served. In the BGS-CIEP Auction, a price for an EDC is the amount, in dollars per Megawatt-Day ($/MW-day), paid for the capacity obligation associated with the BGS-CIEP customers served. A tranche of one product [i.e., a tranche of the BGS load for one (1) EDC] is a full requirements (capacity, energy, ancillary services, etc.) tranche.[7] At the end of the Auctions, the final prices for the EDCs' tranches may be different because of differences in the products, due to each EDC's load factor, delivery location, and other factors.

The EDCs proposed that rates for BGS-RSCP customers be designed using a generic methodology implemented as described in each Company-specific addendum. Bidders would receive a spreadsheet that converts the Auction price into customer rates for each EDC, enabling bidders to assess migration risk at various Auction price levels. BGS-RSCP tariff rates would be determined by converting Auction prices to BGS-RSCP rates in a manner that reflects seasonality and time of use indications, where appropriate and feasible, in order to provide appropriate price signals.

The EDCs proposed that payments to winning BGS-RSCP bidders for June through September may be adjusted to reflect higher summer costs, and payments to bidders for the remainder of the delivery period may be adjusted to reflect lower winter costs. The EDCs designed the proposed summer and winter factors such that the overall average payment to the bidder would equal the Auction clearing price.

The EDCs proposed that, for BGS-CIEP tranches, rate schedules would be designed to include ancillary service costs and a provision to pass through the hourly PJM real-time energy price. Bidders would indicate how many tranches they want to supply in exchange for a $/MW-day capacity payment and other payments for energy and ancillary services known in advance of the Auction. Under the Proposal, winning bidders would also receive a Standby Fee of $0.00015/kWh to act as an "option fee." CIEP customers who take BGS service would pay the capacity payment, while all CIEP customers would pay the Standby Fee whether they take BGS service or obtain service through a TPS. Winning bidders would be paid the Auction clearing price for all capacity provided to customers taking BGS-CIEP service, plus the Standby Fee rate, times the monthly sales to all CIEP customers, whether on BGS-CIEP or not.

[6] The EDCs previously secured two-thirds of their total BGS-RSCP load requirements through May 31, 2027, by means of Board-approved auctions in February 2024 and February 2025. This does not include procurement for the RECO customers within RECO's territory outside of PJM.

[7] In auctions prior to 2021, transmission was included in the BGS product and suppliers were responsible for changes in firm transmission rates during the term of the SMAs.

Under the Proposal, each BGS supplier would be required to assume PJM Load Serving Entity ("LSE") responsibility for the portion of BGS load (whether BGS-CIEP or BGS-RSCP) served by that supplier. In accordance with the PJM Agreements required of LSEs, BGS suppliers would be physically and financially responsible for the day-to-day provision of electric supply for BGS customers. The detailed commercial terms and conditions under which the BGS supplier would operate, including credit requirements, are set forth in the BGS-CIEP and BGS-RSCP SMAs attached to the Proposal as Appendix C and D, respectively.

The EDCs requested that the Board render a decision on the Auction process and thereafter render a decision on the results of the Auctions. Specifically, the EDCs requested that the Board approve or reject, in its entirety, the results of the BGS-RSCP Auction, and separately approve or reject the results of the BGS-CIEP Auction, in its entirety, by the end of the second full business day after the calendar day on which the last of the two (2) Auctions closes. The EDCs recommended the Board clarify that it may, at its discretion, act on one (1) completed Auction while the second is still ongoing. Upon Board approval, the Auction results would be a binding commitment on the EDCs and winning bidders.

The EDCs proposed modifications to the SMAs with the addition of the Capacity Supplements to the BGS-CIEP SMA for the 2026/2027 delivery year, as well as BGS-RSCP SMA for the 2026/2027, 2027/2028 and 2028/2029 delivery years. Additionally, the EDCs proposed modifications to the EDCs' rate design methodology, and modifications to each EDC's Company Specific Addendum to allow for the eventual calculation of the change in the Auction price necessary to accommodate additional payments to (or from) BGS-CIEP suppliers relating to the Capacity Proxy Price for the 2026/2027 delivery year, and for BGS-RSCP suppliers relating the Capacity Proxy Price for the 2026/2027, 2027/2028, and 2028/2029 delivery years.

The Proposal includes numerous other Auction details, Company-specific addenda, and attachments, including the following:

> BGS suppliers must meet all New Jersey Renewable Portfolio Standards ("RPS") requirements and any similar standards imposed under any federal, state or local legislation applicable throughout the respective supply periods;
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> As conditions of qualification, applicants must meet pre-bidding creditworthiness requirements; agree to comply with all rules of the Auction; and agree that, if they become Auction winners, they will execute the BGS SMA within three (3) business days of Board certification of the results, and they will demonstrate compliance with the creditworthiness requirements set forth in that agreement;
>
> To qualify, applicants must disclose which, if any, bidder associations exist, and if such associations exist, applicants must provide additional information as the Auction Manager may require;
>
> Qualified bidders must post a per-tranche letter of credit or bid bond;
>
> The BGS-CIEP Auction secures supply for a period of twelve (12) months, and the BGS-RSCP Auction secures one-third of each EDC's total load requirements for three (3) years, with the remaining two-thirds having been secured through previous BGS-RSCP Auctions; and

Each Company-specific addendum addresses the individual EDC's use of committed supply, contingency plans, accounting and cost recovery, and utility pricing and tariff sheets. The Company-specific addendum for PSE&G included a Time-of-Use ("TOU") proposal. ACE's Company-specific addendum indicated a proposal to change its reconciliation charge filing timeline.

Capacity Proxy Price

In the 2020 BGS proceeding, the Board approved the use of a capacity proxy price ("Capacity Proxy Price") for each EDC to be treated as the capacity price for the 2022/2023 delivery year because the actual capacity price for that delivery year was not expected to be known prior to the 2020 BGS Auctions.[8] The Board noted that keeping the BGS-RSCP structure as a three (3)-year product would help mitigate rate changes and avoid the complications of requiring a supplemental auction when the 2022/2023 capacity price becomes known. The Board further noted that, if the BGS-RSCP product is to cover three (3) years, bidders must have some set capacity price to set their bids. In its Orders issued in November 2020, November 2021, November 2022, November 2023, and November 2024, the Board further approved the use of the Capacity Proxy Price for the proposed delivery years where an applicable delivery year's capacity price was not expected to be known prior to the given BGS-RSCP Auction.

On April 11, 2023, PJM filed to revise its schedule for its capacity auctions for the 2025/2026 through 2028/2029 delivery years. On June 9, 2023, the Federal Energy Regulatory Commission ("FERC") issued an Order accepting PJM's proposed revisions to the base residual auction ("BRA") schedules for the 2025/2026 through the 2028/2029 delivery years. Additionally, the FERC required PJM to submit a compliance filing in response to the FERC's June 9, 2023, Order, and such compliance filing was to include an illustrative auction schedule for the 2025/2026 through the 2028/2029 delivery years. On February 12, 2024, PJM filed to delay the commencement of its BRA for the 2025/2026 delivery year, and the FERC issued an Order accepting PJM's request to delay on February 26, 2024. On October 15, 2024, PJM filed to delay the commencement of its base residual auction for the 2026/2027 delivery year by approximately six (6) months. In this filing, PJM provided a revised capacity auction schedule for the 2026/2027 through the 2029/2030 delivery years and explained that the delay in conducting the BRA for the 2026/2027 delivery year would also result in a delay for other delivery years through the 2029/2030 delivery year. The FERC issued an Order granting PJM's request to delay on November 8, 2024.

At the time that the EDCs filed the Proposal, the results of the BRAs for the 2026/2027, 2027/2028, and 2028/2029 delivery years [all three (3) delivery years covered by the 2026 BGS-RSCP product] were not yet available. The EDCs asserted that if the capacity price was not known for the delivery years prior to the 2026 BGS-RSCP Auction, it may be the case that BGS-RSCP suppliers are likely to include risk premiums into their bids to address this uncertainty and it may be the case that some bidders choose not to participate altogether. The EDCs asserted that this could result in higher closing prices in the BGS-RSCP Auction than would otherwise be the case, to the detriment of BGS-RSCP customers. To address this potential problem, the EDCs proposed to continue the approach approved by the Board each year since the 2020 BGS proceeding. Specifically, the EDCs proposed to set a Capacity Proxy Price for the 2028/2029 delivery year that suppliers would be able to incorporate into their bids. Additionally, although the results of the BRAs for the 2026/2027 and 2027/2028 delivery years are expected to be made

[8] In re the Provision of Basic Generation Service (BGS) for the Period Beginning June 1, 2020, BPU Docket No. ER19040428, Order dated November 13, 2019.

available in July 2025 and December 2025, respectively, if unforeseen schedule delays at PJM occur, the EDCs stated that it may be the case that the capacity prices for the 2026/2027 and 2027/2028 delivery years may also not be known prior to the 2026 BGS-RSCP Auction. As such, the EDCs proposed to set a Capacity Proxy Price for the 2026/2027 delivery year and a Capacity Proxy Price for the 2027/2028 delivery year that suppliers would be able to incorporate into their bids.

However, if the results of the BRA for any of the delivery years are known at least five (5) business days prior to the start of the BGS-RSCP Auction, the EDCs asserted that the Capacity Proxy Price for the applicable delivery year would no longer be needed and would be voided.

In their proposal in the 2025 BGS proceeding, the EDCs acknowledged that at the time of the filing, capacity prices had begun to increase, where the Final Zonal Net Load price for the 2024/2025 delivery year was higher than that of the 2023/2024 delivery year. Further, the EDCs expressed that it seemed possible that the increase in capacity prices could continue and potentially be greater than the relatively small increase realized between the 2024/2025 delivery year and the 2023/2024 delivery year. As such, in the 2025 BGS proceeding proposal, the EDCs proposed that if the results of the BRA for the 2025/2026 delivery year reflected significant increases in capacity prices, the EDCs would adjust the calculation of the Capacity Proxy Prices that were more reflective of current prices. Specifically, the EDCs proposed that if the results of the BRA for the 2025/2026 delivery year were fifty percent (50%) (or more) higher than the Final Zonal Net Load Price for the 2024/2025 delivery year, the EDCs would set the Capacity Proxy Prices for those two (2) delivery years at the actual base residual auction price realized for the 2025/2026 delivery year.

On July 30, 2024, PJM made available the results of the BRA for the 2025/2026 delivery year. The results of the BRA for the 2025/2026 delivery year ($270.43/MW-day) were approximately 378% higher than the Final Zonal Net Load Price for the 2024/2025 delivery year ($56.56/MW-day). Consistent with their proposal in the 2025 BGS proceeding, the EDCs then updated the proposed Capacity Proxy Prices for the 2026/2027 and 2027/2028 delivery years to be equal to the BRA results for the 2025/2026 delivery year. In the November 2024 Order, the Board approved the EDCs' setting of the Capacity Proxy Prices for the 2026/2027 and 2027/2028 delivery years equal to the BRA results for the 2025/2026 delivery year. As the results of the BRAs for the 2026/2027 and 2027/2028 delivery years were not made available prior to the 2025 BGS-RSCP Auction, the values of the Capacity Proxy Prices for the 2026/2027 and 2027/2028 delivery years remained set to the BRA results for the 2025/2026 delivery year.

In the Proposal, the EDCs proposed to set the Capacity Proxy Price for all three (3) delivery years (2026/2027, 2027/2028, and 2028/2029) at $270.43/MW-day. The EDCs asserted that the proposed values for the 2026/2027 and 2027/2028 delivery years are consistent with their 2025 BGS proceeding proposal and were aimed to achieve Capacity Proxy Prices that are reflective of current prices.

The EDCs stated that they have monitored the prices in PJM's capacity auctions and provided the following table demonstrating the Final Zonal Net Load Prices reached in PJM's capacity auctions beginning with the 2019/2020 delivery year:[9]

EDC	2019/2020 Final Zonal Net Load Price ($/MW-day)	2020/2021 Final Zonal Net Load Price ($/MW-day)	2021/2022 Final Zonal Net Load Price ($/MW-day)	2022/2023 Final Zonal Net Load Price ($/MW-day)	2023/2024 Final Zonal Net Load Price ($/MW-day)	2024/2025 Final Zonal Net Load Price ($/MW-day)	2025/2026 Final Zonal Net Load Price ($/MW-day)
PSE&G	115.83	174.32	188.46	97.93	50.96	56.56	270.43
JCP&L	115.58	174.32	164.73	97.93	50.96	56.56	270.43
ACE	115.58	174.32	164.73	97.93	50.96	56.56	270.43
RECO	115.58	174.32	164.73	97.93	50.96	56.56	270.43

The EDCs further stated that significant increase in PJM capacity market costs has resulted in considerable focus on capacity pricing and customer bill impacts. Following a complaint filed on December 30, 2024, by Governor Shapiro and the Commonwealth of Pennsylvania that asserted the price cap for PJM's capacity auctions was unreasonable, PJM itself filed a response on February 20, 2025, that would establish a price cap and price floor for its capacity auctions for the 2026/2027 and 2027/2028 delivery years ("Price Collar"). PJM proposed that the lower and upper bounds for the Price Collar be approximately $175/MW-day and approximately $325/MW-day, respectively. The FERC approved PJM's filing and Price Collar on April 21, 2025. As such, absent any subsequent changes, the BRA results, as well as any incremental auction results for the 2026/2027 and 2027/2028 delivery years, will not be less than approximately $175/MW-day or greater than approximately $325/MW-day.

The EDCs maintained that, like the Board, the EDCs cannot predict the results of PJM's capacity auctions, even for those delivery years to which a Price Collar applies. However, the EDCs continue to believe that setting the Capacity Proxy Prices at a reasonable estimate of the unknown capacity price for a given delivery year is the best approach for BGS customers. The EDCs reiterated that in the Proposal, the EDCs proposed to set the Capacity Proxy Prices for the 2027/2028 and 2028/2029 delivery years equal to the Final Zonal Net Load Price for the 2025/2026 delivery year ($270.43/MW-day), which was the most recently available PJM capacity auction price available at the time the EDCs made their filing on July 1, 2025. The EDCs further stated that proposed values for the Capacity Proxy Prices for the 2027/2028 delivery year are within the bounds of PJM's Price Collar and the proposed values of the Capacity Proxy Prices for both the 2027/2028 and 2028/2029 delivery years are consistent with the EDCs' Proposal as the values aim to achieve Capacity Proxy Prices that are reflective of current prices.

The EDCs stated that the results of the BRA for the 2026/2027 delivery year were expected to be made available on July 22, 2025, and the results of the BRA for the 2027/2028 delivery year were expected to be made available on December 17, 2025. Accordingly, the EDCs proposed that if the results of the BRA for the 2026/2027 delivery year become available at least five (5) business days prior to the BGS-RSCP Auction, then the EDCs would void the Capacity Proxy Price for the 2026/2027 delivery year and adjust the calculation of the Capacity Proxy Prices for the 2027/2028 and 2028/2029 delivery years and set them equal to the BRA price realized for the 2026/2027 delivery year. Further, the EDCs proposed that if the results of the BRA for the 2027/2028 delivery year become available at least five (5) business days prior to the BGS-RSCP Auction such that the results of the BRAs for both of the 2026/2027 and 2027/2028 delivery years are made

[9] See Proposal, Table 1.

available, then the EDCs would further adjust the calculation of the Capacity Proxy Prices for the 2028/2029 delivery year and set them equal to the BRA price realized for the 2027/2028 delivery year. In this case, the Capacity Proxy Prices for the 2026/2027 and 2027/2028 delivery years would be voided. According to the EDCs, this proposed methodology assures that the Capacity Proxy Price that is ultimately utilized reflects the most recent BRA result that is available for a prior PJM delivery year.

In terms of the timing of the EDCs' updates to the Capacity Proxy Prices, the EDCs proposed that if the results of the BRA auction for the 2026/2027 delivery year are available at the time of the EDCs' Compliance Filing following the Board's decision in this matter, and if the Board approves the EDCs' proposal as it pertains to the use of Capacity Proxy Prices for the 2027/2028 and 2028/2029 delivery years, the EDCs would update the values of the Capacity Proxy Prices for the 2027/2028 and 2028/2029 delivery years at that time. In this case, the Capacity Proxy Prices for the 2027/2028 and 2028/2029 delivery years would be set equal to the most recent PJM capacity auction results (the BRA results) for the 2026/2027 delivery year. Furthermore, in the event the results of the BRAs for the 2026/2027 and the 2027/2028 delivery years are known at least five (5) business days prior to the start of the BGS-RSCP Auction, but the results of the BRA for the 2028/2029 delivery year are still not known five (5) business days prior to the BGS-RSCP Auction, the EDCs also proposed to update the Capacity Proxy Price for the 2028/2029 delivery year. In this case, the Capacity Proxy Prices for the 2028/2029 delivery year would be set equal to the most recent PJM capacity auction results (the BRA results) for the 2027/2028 delivery year.

Winning BGS-RSCP suppliers would be paid the closing price (cents/kWh) in the BGS-RSCP Auction for load served. In the 2026/2027, 2027/2028, and 2028/2029 delivery years, BGS-RSCP suppliers would additionally be paid (or would pay) the difference between the rate paid by BGS-RSCP suppliers for capacity and the final Capacity Proxy Price for that delivery year. Consistent with the processes approved by the Board since the 2020 BGS Auctions, these payments would only occur in the 2026/2027 delivery year, the 2027/2028 delivery year, or in the 2028/2029 delivery year, even if the value of the capacity price for that delivery year is known prior to the start of that delivery year – but only if the results are not known at least five (5) business days prior to the start of the BGS-RSCP Auction. The EDCs asserted that this construct provides certainty to BGS-RSCP suppliers that they would be fully compensated for the actual rates for capacity that they pay in the 2026/2027, 2027/2028, and in the 2028/2029 delivery years.

Rate Counsel Comments

In its Initial Comments, Rate Counsel noted that the current PJM auction schedule suggested that the Capacity Proxy Price will be an element of the 2026 BGS proposal since the 2028/2029 auction will occur well after the February 2026 auction. See Rate Counsel Initial Comments at 11. Rate Counsel did not object to the extension of the Capacity Proxy Price for the 2028/2029 delivery year. For the 2027/2028 delivery year, Rate Counsel believes that absent additional significant delays, the five (5) business days' advanced notice of the BRA is sufficient for bidders seeking to participate in the 2026 BGS auction and indicated its support for the EDCs' five (5)-day trigger for canceling the Capacity Proxy Price for the 2027/2028 delivery year. Ibid. Rate Counsel reiterated this at the Legislative-Type Hearing and its Final Comments. See T1 24:22 to 26:14; Rate Counsel Final Comments at 1 to 2.[10]

[10] T1 shall refer to the Transcript of the Legislative-Type Hearing dated September 18, 2025 in this matter.

EDC Comments

In their Final Comments, the EDCs noted that on July 22, 2025, after the EDCs filed the Proposal, PJM made available the results of the BRA for the 2026/2027 delivery year. According to PJM's auction schedule, and assuming no additional delays, the results of the BRA for the 2027/2028 delivery year should be available prior to the 2026 BGS-RSCP Auction. See EDC Final Comments at 5. Thus, the Capacity Proxy Prices for the first year of the supply period for both the BGS-CIEP Auction and the BGS-RSCP Auction are null and void under the EDCs' Proposal. Id. at 6-7.

As the results of the BRA for the 2026/2027 delivery year were made available on July 22, 2025, and thus, in line with the EDCs' Joint Proposal, the EDCs indicated that they would set Capacity Proxy Prices for the 2027/2028 and 2028/2029 delivery years equal to the results of the BRA for 2026/2027 delivery year. Id. at 12. The results of PJM's BRA for the 2026/2027 delivery year yielded a price in each of the EDCs' zones of $329.43/MW-day. The EDC stated that, in line with the Proposal, if the results of the BRAs for the 2027/2028 and 2028/2029 delivery years are not known at least five (5) business days prior to the BGS-RSCP Auction, then the Capacity Proxy Prices for the 2027/2028 and 2028/2029 delivery years would be set to $329.43/MW-day. Id. at 12-13. The EDCs further asserted that, according to the most recent capacity auction schedule published by PJM, the BRAs for the 2027/2028 and 2028/2029 delivery years are set to be held in December 2025 and June 2026, respectively, and the EDCs proposed to further update the values of the Capacity Proxy Prices for the 2028/2029 delivery year if the results of the upcoming BRA for the 2027/2028 delivery year are known at least five (5) business days prior to the BGS-RSCP Auction and if the results of the BRA for the 2028/2029 delivery are still not known five (5) business days prior to the BGS-RSCP Auction. In this case, the updated Capacity Proxy Prices for the 2028/2029 delivery year would be set equal to the most recent capacity auction results for the 2027/2028 delivery year. Id. at 13.

The EDCs reiterated that the Capacity Proxy Price and subsequent true-up construct provides certainty to BGS-RSCP Suppliers that they will be fully compensated for the actual rates for capacity that they pay in the 2027/2028 delivery year and in the 2028/2029 delivery year. Ibid. If Capacity Proxy Prices were not used and no other mechanism was in place at the time of the BGS-RSCP Auction to address the fact that capacity prices for the 2027/2028 delivery year may not be known, and capacity prices for the 2028/2029 delivery year will not be known, the EDCs argued that bidders will likely include risk premiums in their bids and some potential bidders may choose not to participate in the BGS-RSCP Auction altogether which could result in higher closing prices in the BGS-RSCP Auction than would otherwise be the case, to the detriment of BGS customers. Ibid.

The EDCs noted that Rate Counsel did not object to the EDCs' proposal regarding the implementation of Capacity Proxy Prices for the 2027/2028 delivery year and the 2028/2029 delivery year. Ibid. The EDCs further stated that the Board's Advisor supported the continued use of Capacity Proxy Prices, stating in its Annual Final Report on the 2025 BGS RSCP and CIEP Auctions, in regard to the use of Capacity Proxy Prices in the 2025 BGS Auctions, that it "[emphasizes] that the [capacity] proxy prices were necessary to remove enough risk to allow bidders to participate in the Auction". Id. at 14.

For these reasons, the EDCs requested that the Board approve the proposed method for determining, and potentially updating, the Capacity Proxy Prices for each EDC for both the 2027/2028 and 2028/2029 delivery years in the event actual capacity prices for these delivery years are not known at least five (5) business days prior to the start of the 2026 BGS-RSCP

Auction. Id. at 14. Specifically, the EDCs requested that the Board approve the EDCs' proposal to set the values of the Capacity Proxy Prices for the 2027/2028 and 2028/2029 delivery years equal to the results of the BRA for the 2026/2027 delivery year, and the EDCs requested that the Board approve the EDCs' proposal to update the values of the Capacity Proxy Prices for the 2028/2029 delivery year following the release of the results of the BRA for the 2027/2028 delivery year, as long as the results of the BRA for the 2027/2028 delivery year are known at least five (5) business days prior to the 2026 BGS-RSCP Auction. Id. at 14-15.

DCFC PILOT PROGRAMS

By Order dated November 17, 2023, the Board authorized the EDCs to implement two (2)-year Direct Current Fast Charging ("DCFC") pilot programs.[11] The November 2023 Order also directed the EDCs to provide an update on the status of each EDC's pilot program and to continue to collect data subject to customer consent and submit semi-annual reports to the Board and Rate Counsel. By the November 2024 Order, the Board directed the EDCs to provide, in the 2026 BGS proceeding, an update of the status of the pilot programs, as well as a proposal to implement permanent DCFC programs or provide justification for ending the programs. In their Company-specific addendums, ACE, PSE&G and RECO proposed to end their DCFC pilot programs. JCP&L proposed to continue its DCFC pilot program from June 1, 2026, through May 31, 2027, unless its Electric Vehicle ("EV") Driven program is discontinued.

Rate Counsel Comments

In its Initial Comments, Rate Counsel stated that it has supported and supports the requirement that participants share the program implementation costs and any under- or over-recovery balances in DCFC reconciliation charges. See Rate Counsel Initial Comments at 13. Rate Counsel argued that DCFC customers were disinclined to share implementation costs and potential over/under recoveries suggests that the pilot program was properly designed to protect other ratepayers from subsidizing DCFC customers. Ibid. Rate Counsel indicated that it did not oppose the discontinuation of the pilot program by ACE, PSE&G, and RECO. Ibid. Rate Counsel reiterated this in its Final Comments. See Rate Counsel Final Comments at 2.

Joint EDC Comments

In their Final Comments, the EDCs requested that the Board approve each EDC's proposal regarding their respective DCFC pilot programs. See EDC Final Comments at 4.

REMOTE AUCTION

Rate Counsel Comments

In Rate Counsel's initial comments, Rate Counsel indicated that it did not object to the EDCs' continuation of the remote auction process proposal, so long as the Board finds that the security and integrity of the auction process can be maintained. See Rate Counsel Initial Comments at 13. Rate Counsel stated that the EDCs noted that the protocols for the remote auction have been in place since 2021 and that the outstanding obligations for physical office space no longer exist since their leases expired January 31, 2025. Ibid.

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[11] In re the Provision of Basic Generation Service (BGS) for the Period Beginning June 1, 2024, BPU Docket No. ER23030124, Order dated November 17, 2023 ("November 2023 Order").

At the Legislative-Type Hearing, Rate Counsel indicated that it is in favor of reducing administrative costs associated with the physical BGS Auction office while the auctions are being conducted remotely. See T1 26:15 to 19. While Rate Counsel did not object to the EDCs' continuation of the remote auction process proposal, Rate Counsel argued that the security and integrity of the auction process must be maintained and indicated that Board approval of a remote auction should be conditioned on it finding that the integrity of the auction process can be maintained under this process. Id. at 26:20 to 27:4.

Rate Counsel reiterated this position in their Final Comments. See Rate Counsel Final Comments at 2.

EDC Comments

In their Final Comments, the EDCs noted that, prior to the 2021 BGS auction process, the auctions had been managed from a physical BGS auction office established for this purpose. Personnel from the auction manager staffed the office to receive application materials, train bidders, test systems in preparation for bidding, and conduct the actual auctions. Additionally, during the auctions, auction manager personnel, Board Staff ("Staff"), and Bates White personnel were in close physical proximity, allowing for consultation among the parties and discussion regarding setting various auction parameters. Physical records of the auction activities were kept in the physical BGS auction office, as well as in other remote locations for redundancy. The series of procedures associated with the physical BGS auction office were reviewed annually by the Board advisor and confidentially filed with the Board. The costs associated with these procedures included the rent and utilities associated with the physical BGS auction office, maintenance of computer equipment and networks, travel costs throughout the auction process, and other office related costs. See Joint EDC Final Comments at 15. For the 2021 BGS auctions and 2022 BGS auctions, this approach to conducting the auctions became infeasible in the face of government mandates and restrictions established in the wake of the COVID-19 pandemic. Ibid.

The EDCs maintained that the protocol changes first established in response to the COVID-19 pandemic that ultimately allowed for the successful remote conduct of the 2021 BGS auctions made the process of administering the 2021 BGS auctions and the 2022 BGS auctions not only safer, but also more efficient. Id. at 17. The EDCs further asserted that it also made the process at least as secure, and possibly, more so. When conducting the auctions from the physical BGS auction office, the auction manager had cameras and personnel dedicated to preventing the entry of uninvited parties into the physical BGS auction office as the office had the hard copy auction records. Using the internet for digital review and using digital storage of the round results not only increased efficiency but arguably increased security as well. The Auction Manager had absolute control over who had access to the digital rooms and the servers on which auction results were stored, which had layers of security. There was minimal risk that an uninvited and/or unwanted party could view the digital room where round results were reviewed or access the auction records. Ibid.

The EDCs noted that the Board found that these changes in procedures led to the successful implementation of the 2021 BGS auctions and the 2022 BGS auctions. Ibid. In its Orders approving the results of the 2021 and 2022 BGS auctions and its order approving the results of the Board stated that "the adjustments to typical practices and protocols in administering and monitoring the BGS auctions that were in place to accommodate State and Federal COVID-19 restrictions did not materially affect the Auctions in unanticipated ways".[12] Ibid. The EDCs also noted that Board Advisor also cited the success of the remote conduct of the Auctions in its Annual Final Report on the 2022 BGS-RSCP and BGS-CIEP Auctions, stating that conducting the Auctions remotely "did not affect the outcome of the auction".[13] Id. at 18.

In their Final Comments, the EDCs maintained that they and the Auction Manager continue to commit to working with Staff and the Board Advisor so that their ability to monitor the auction process is maintained in a cost-effective manner. Ibid. The EDCs argued that this was the case during the 2023 BGS auctions, the 2024 BGS auctions, and the 2025 BGS Auctions when, at the request of the Board Advisor, members of the Auction Manager Team and members of the Board Advisor team were co-located in NERA's office in Washington D.C. Protocols were put in place to build upon the process improvements first introduced with the 2021 BGS Auctions and maintained for the 2022 BGS Auctions. Specifically, members of the Auction Manager Team continued to digitally share a single screen to review the Auction results and compare to the output of the checking program and hard copy verification was not employed. This method of checking the Auction results continued to prove more immediate and efficient than printing and reviewing hard copy documents. Id. at 19. The EDCs argued that the efficiency gained during the 2021 BGS Auctions and the 2022 BGS Auctions by the digital review of Auction results was maintained and allowed the Auction Manager to provide results to Staff and the Board Advisor more promptly than hard copy verification. Further, a member of the Auction Manager Team was available to address, in-person, any needs of the Board Advisor, also in-person, during the 2023 BGS Auctions the 2024 BGS Auctions, and the 2025 BGS Auctions as requested by the Board Advisor. Ibid.

In response to Rate Counsel's position, the EDCs argued that Rate Counsel incorrectly discounts the efficiencies that resulted from the changes made to procedures as "minor administrative efficiencies" and seems to believe any such benefit necessarily comes at the cost of lessened security. Id. at 20. The EDCs stated that the changes in procedures that led to the successful remote conduct of the 2021 BGS Auctions and the 2022 BGS Auctions, as well as the co-location of a subset of team members from the Auction Manager Team and the Board Advisor in conducting the 2023, 2024, and 2025 BGS Auctions, made the process of administering the Auctions both more efficient and at least as, if not more, secure. Ibid. The EDCs asserted that Rate Counsel's security concern is inconsistent with the Board's findings in its review of the results of the 2021 BGS Auctions, the results of the 2022 BGS Auctions, the results of the 2023 BGS Auctions, and the results of the 2024 BGS Auctions. Additionally, the EDCs noted that all parties have been using the internet to bid in the Auctions since the Auctions' inception. Further, the applications completed by bidders to apply to participate in the BGS Auctions have been submitted online since the 2015 BGS Auctions. The EDCs' maintained that their proposal does not change these facts. Id. at 19-20. To the contrary, the EDCs asserted that using the internet for digital review and confirmation of the round results during the 2021, 2022, 2023, 2024, and 2025 BGS Auctions not only sped up those tasks, but also arguably made them more secure. The EDCs do not believe that storing the Auction results in hard copy in a physical BGS Auction office under lock and key is more secure than storing those results on offsite and protected

[12] In re the Provision of Basic Generation Service (BGS) for the Period Beginning June 1, 2021, BPU Docket No. ER20030190, Order dated February 11, 2021; and In re the Provision of Basic Generation Service (BGS) for the Period Beginning June 1, 2022, BPU Docket No. ER21030631, Order dated February 9, 2022.

[13] Bates White's Annual Final Report on the 2022 BGS RSCP and CIEP Auctions at page 47 and at page 73.

servers. The EDCs maintained that these servers are secure, and technology and protocols are in place to protect the integrity of the Auctions. The servers are continually monitored for intrusions and sit behind firewalls which control who can access them. The EDCs and the Auction Manager have held, and continue to hold, the integrity of the Auctions, as well as Auction security, as a top priority. The EDCs and the Auction Manager continually make investments and propose improvements to the Auction Process as changes to technology warrant. This includes making annual incremental updates to protocols for review by Staff and the Board Advisor. Id. at 21. Establishing a set of protocols regarding the entirety of the Auction Process each year and abiding by these protocols ultimately maintains the integrity of the Auctions, and the successful implementation previous BGS Auctions was due to the changes made to an appropriate set of procedures. Further, the Auction Manager continues to commit to working with Staff and the Board Advisor so that their ability to monitor the Auction Process is maintained in a cost-effective manner. Ibid.

Accordingly, the EDCs requested that the Board approve conducting the 2026 BGS Auctions from a remote setting given the successful implementation for the 2021 BGS Auctions, the 2022 BGS Auctions, the 2023 BGS Auctions, the 2024 BGS Auctions, and the 2025 BGS Auctions. Ibid.

RECO CENTRAL AND WESTERN BGS CUSTOMER REQUIREMENTS

RECO's Central and Western Divisions physically connect to the New York Independent System Operator ("NYISO"). Therefore, RECO must purchase required energy and capacity for its Central and Western BGS customers from markets administered by the NYISO. In its Company-specific addendum, RECO explained that it does not need to conduct procurement for energy for NYISO customers because the Board approved the results of a procurement by Order dated January 31, 2024, for RECO's non-PJM energy requirements through May 31, 2027.[14]

On August 16, 2013, in FERC Docket Number ER13-1380, FERC approved the creation of a new capacity market zone in the Lower Hudson Valley region encompassing NYISO Load Zones G, H, I, and J. According to RECO, Lower Hudson Valley capacity is not actively traded, and RECO does not expect any change before the BGS Auction. Because of capacity market changes at the NYISO noted above, RECO proposed purchasing the capacity needs of its BGS customers in its Central and Western Divisions in the NYISO capacity market and blending its forecast of those prices into the BGS-RSCP price. According to RECO, this is the same proposal approved in the November 18, 2020 Order.[15] RECO expects these capacity purchases to have minimal impact because its Central and Western Divisions constitute only about ten percent (10%) of RECO's BGS load.

No party took issue or provided comments on RECO's proposal.

PSE&G TOU PROPOSAL

In its last distribution rate case filed, PSE&G proposed a voluntary program ("TOU Proposal") offering customers two (2) new Residential TOU rates: a two (2) period ("2P") and a three (3) ("3P") rate structure, initially designed to be revenue neutral to the Residential Service ("RS") rate

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[14] In re the Provision of Basic Generation Service (BGS) for the Period Beginning June 1, 2024 – Decision and Order on RECO RFP, BPU Docket No. ER23030124, Order dated January 31, 2024.

[15] In re the Provision of Basic Generation Service (BGS) for the Period Beginning June 1, 2021, BPU Docket No. ER20030190, Order dated November 18, 2020.

and, if successful, would provide for the closing of the Residential Load Management ("RLM") rate ("TOU Proposal").[16] As a result, in its Company-Specific Addendum filed on July 1, 2024, in the 2025 BGS Proceeding, PSE&G proposed new BGS RS TOU 2P and 3P rates for the supply portion of the then-proposed electric distribution rates filed in that case, noting that any changes to the TOU Proposal in its rate case would need to be reflected in the then proposed BGS TOU rates ("2025 BGS Auction TOU Rates"). By Order dated October 9, 2024, the Board approved PSE&G's base rate case, including the implementation of the three (3) period TOU residential rate structure ("RS TOU-3P).[17] PSE&G's 2025 BGS Company-Specific Addendum was approved by the Board by the November 2024 BGS Order. As required by the November 2024 Order, PSE&G included the Company-Specific Addendum in its December 5, 2024, BGS Compliance Filing. In its Company-Specific Addendum in this proceeding, PSE&G indicated that it presently plans to implement the RS TOU-3P rates later in 2025 and proposed revisions to the approved 2025 BGS RS TOU-3P rates and the proposed 2026 RS TOU-3P rate design effective June 1, 2026.

According to PSE&G, the objective of the RS TOU-3P rate schedule is to create charges that provide customers with TOU pricing that gives customers the option to move some of their discretionary usage to non-peak times, where lower charges could be offered reflecting the lower costs to serve. PSE&G asserted that time-dependent price options may be of interest to those customers for whom the non-peak charges meet their usage patterns or for those customers willing to modify their usage pattern to take advantage of the lower non-peak charges. Additionally, for customers that opt into the RS TOU-3P program during the first twenty-four (24) months for which it is available, at the end of an initial twelve (12)-month period on the rate such customers will receive a report showing the difference between their twelve (12)-month bill-history on the new RS TOU-3P rate versus what the bill-history would have been on the RS Rate Schedule and would be provided a one (1)-time refund of the difference if the RS TOU-3P twelve (12) month total was higher. For customers served on BGS, PSE&G proposed that the supply portion of the refund be recorded as a reduction to BGS revenue in the month it is credited to the customer and be recovered through PSE&G's BGS-RSCP reconciliation charge. PSE&G stated that this initial twelve (12)-month look-back provision is a part of the company's RS TOU-3P program to encourage customer adoption of the RS TOU-3P rate. After customers complete their initial twelve (12) months on the RS TOU-3P rate, they would be able to choose to switch back to the RS Rate Schedule.

By the Rate Case Order, PSE&G was authorized to defer up to $12.4 million in costs associated with the implementation of the RS TOU-3P rate option. Deferred costs would be subject to a prudence review in the company's next base rate case. PSE&G asserted that it did not anticipate that any incremental cost would be incurred to implement the RS TOU-3P BGS rate.

In the derivation of the approved RS TOU-3P rate in the November 2024 Order, the costs related to capacity were solely included in the on-peak period. However, given the present high cost of

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[16] In re the Petition of Public Service Electric and Gas Company for Approval of an Increase in Electric and Gas Rates for Changes in the Tariffs for Electric and Gas Service, B.P.U.N.J. No. 17 Electric and B.P.U.N.J. No. 17 Gas, and for Changes in Depreciation Rates, Pursuant to N.J.S.A. 48:2-18, N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, and for Other Appropriate Relief, BPU Docket Nos. ER23120924 & GR23120925.

[17] In re the Petition of Public Service Electric and Gas Company for Approval of an Increase in Electric and Gas Rates for Changes in the Tariffs for Electric and Gas Service, B.P.U.N.J. No. 17 Electric and B.P.U.N.J. No. 17 Gas, and for Changes in Depreciation Rates, Pursuant to N.J.S.A. 48:2-18, N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, and for Other Appropriate Relief, BPU Docket Nos. ER23120924 & GR23120925, Order dated October 9, 2024 ("Rate Case Order").

capacity, in the instant proceeding PSE&G proposed to amend the rate design for the RS TOU-3P rate by redistributing the capacity cost over both the on-peak and mid-peak periods. PSE&G asserted its belief that this change would be more appealing to customers. Accordingly, PSE&G requested Board approval to implement this proposed amended rate design prior to June 1, 2026.

For service beginning June 1, 2026, PSE&G's proposed RS TOU-3P rate was designed to be revenue neutral to the RS rate class. The revenue was allocated to capacity and energy components based upon the underlying cost components in PSE&G's BGS model. Capacity costs were designed to collect during on peak and mid peak periods. Energy costs were designed to be collected over three (3) corresponding time periods. RPS and ancillary costs were designed to be collected over all time periods. According to PSE&G, the proposed RS TOU-3P rates were derived utilizing the RS rate class load profile. In the future, once there are a significant number of customers receiving BGS under the RS TOU-3P rate the actual load profile of the class would be used, and corresponding rate design would be integrated into the main PSE&G BGS rate model.

In addition, in July 2025, the EDCs filed a joint petition seeking authority to modify FERC-approved transmission charges. In the petition, PSE&G requested authority to implement a voluntary RS TOU-3P for the transmission rates proposed in that petition and those previously approved in an April 23, 2025, Order, effective simultaneously with the amended TOU proposal in the instant proceeding. By Order dated September 10, 2025, the Board denied PSE&G's request stating that the request would be more appropriately addressed in the 2026 BGS proceeding or after consideration of the proceeding.[18]

PSE&G Reply Comments

PSE&G reiterated that it requested Board approval to amend the rate design for the BGS RS TOU-3P, as the present (and previously approved) rate included all capacity costs solely in the on-peak period. Additionally, PSE&G proposed to redistribute the capacity cost over both the on-peak and mid-peak periods. PSE&G stated that it believes that this change would be more appealing to customers due to the present high cost of capacity. See EDC Final Comments at 33.

Additionally, PSE&G indicated that it has not yet received authority to implement RS TOU-3P rates for the rates that provide recovery of FERC-approved changes in firm transmission service-related charges from BGS customers. Such charges are adjusted a minimum of twice each year, via compliance filings submitted jointly by the EDCs titled "Compliance Tariff Filing Reflecting Changes to Schedule 12 Charges in PJM Open Access Transmission Tariff" ("Joint Compliance Filing"). Ibid. PSE&G noted that by the September 2025 Order, the Board denied PSE&G's request stating that it believed the request would be more appropriately addressed in the pending 2026 BGS Filing or after consideration of the 2026 BGS Filing. Id. at 34. PSE&G claimed that, in conformance with the Board's guidance, PSE&G reiterated the request it made in the Joint Compliance Filing to implement the RS TOU-3P rate. Accordingly, PSE&G appended to the end of the EDC Final Comments the relevant page of the Joint Compliance Filing titled "RS-TOU 3P Transmission Rate Calculation." Ibid.

[18] In re the Provision of Basic Generation Service for the Period Beginning June 1, 2025, Compliance Tariff Filing Reflecting Changes to Schedule 12 Charges in PJM Open Access Transmission Tariff, BPU Docket No. ER25070380, Order dated September 10, 2025 ("September 2025 Order").

ACE BGS RECONCILIATION CHARGE

ACE currently calculates the BGS reconciliation charges ("RCs"), including interest, twice a year (effective June 1 and October 1). As part of its Company-specific addendum, ACE proposed to transition to a quarterly reconciliation process to minimize rate volatility caused by uneven reconciliation periods [i.e., four (4) months and eight (8) months] and to bring ACE into alignment with the other EDCs who reconcile quarterly. The BGS-RSCP and BGS-CIEP reconciliation charges, including interest, would be calculated quarterly on a cents per kWh basis, and the respective rates will be applied to all BGS-RSCP and BGS-CIEP kWh. ACE indicated that these charges would be combined with the fixed, seasonally-differentiated BGS-RSCP and hourly BGS-CIEP charges for billing, although they will be published in ACE's Rider BGS as separate BGS-RSCP RC and BGS-CIEP RC rates that would be revised quarterly. The individual BGS deferrals would be accounted for in the following manner:

1. If individual BGS costs, as defined above, are higher than individual BGS recorded revenue, the difference will be charged on a monthly basis to the cost deferral to be reconciled and recovered from customers, with interest, on a quarterly basis through the BGS-RSCPRC and/or the BGS-CIEPRC.
2. If individual BGS costs, as defined above, are lower than individual BGS recorded revenue, the difference will be credited monthly, to the cost deferral to be reconciled and returned to customers, with interest, on a quarterly basis through the BGS-RSCPRC and/or BGS-CIEPRC.
3. A separate deferred balance will be maintained individually for the BGS-RSCPRC and BGS-CIEPRC rates to ensure full recovery and reconciliation of all the costs associated with the provision of BGS service.

ACE further stated that, in the event the contingency plan is required to be implemented to serve BGS-CIEP load, the difference between CIEP Standby Fee revenues and CIEP Standby Fee payments made to winning BGS-CIEP auction bidders will be maintained in a separate deferred balance account. Interest on this account would be accrued monthly, using the same methodology and interest rate as used for the BGS-RSCP and BGS-CIEP deferred balances. Any debit/credit balance in this account at the end of the BGS period of June 1, 2026, through May 31, 2027, would be applied as a $/kWh adjustment to the CIEP Standby Fee for the next BGS-CIEP annual period. In this manner, the mechanism to reconcile any CIEP Standby Fee deferred balance is applied, to the greatest extent practicable, to all BGS-CIEP eligible customers who paid the CIEP Standby Fee, and not only to those taking BGS-CIEP service.

ACE would file BGS-RSCP RC and BGS-CIEP RC rates with the Board at least thirty (30) days in advance of the date upon which they are requested to be effective. The BGS Reconciliation Rate would be capped at two (2) cents ($0.02) per kWh. The filed rates would become effective thirty (30) days after filing, absent a determination of manifest error by the Board.

No party took issue or provided comments on ACE's proposal.

MSCGI PROPOSAL

MSCGI stated that, to comply with U.S. regulatory requirements aimed at promoting financial stability, it is required to amend certain Qualified Financial Contracts ("QFCs") under the U.S. Resolution Stay Rules. These rules—codified by the Federal Reserve, Federal Deposit Insurance Corporation ("FDIC"), and Office of the Comptroller of the Currency ("OCC")—mandate that Global Systemically Important Banks ("GSIBs") like Morgan Stanely and its material operating entities, which include MSCGI, incorporate provisions into their QFCs that recognize the stay-and-transfer powers of U.S. resolution authorities under the Federal Deposit Insurance Act ("FDI Act") and Title II of the Dodd-Frank Act ("Dodd-Frank Act"). MSCGI argued that such provisions ensure that, in the event of a resolution proceeding, contractual rights such as cross-default and termination rights do not undermine the orderly resolution of a GSIB by the U.S. federal government.

MSCGI asserted that these changes are typically implemented either through adherence to the International Swaps and Derivatives Association ("ISDA") 2018 U.S. Resolution Stay Protocol ("US Stay Protocol") or via bilateral amendments. MSCGI maintained that most market participants choose to adhere to the US Stay Protocol and then expressly incorporate the provisions of the US Stay Protocol into the relevant QFC.

MSCGI requested that the Board direct the EDCs to adhere to the US Stay Protocol and subsequently incorporate its provisions into the BGS-RSCP and BGS-CIEP SMAs, so that the SMAs are compliant with the QFC Stay Rules. MSCGI stated that such incorporation could take the form of an executed side agreement which would only be applicable to those BGS-RSCP Suppliers or BGS-CIEP Suppliers who are GSIBs.

MSCGI averred that updating the SMAs for this purpose would increase the number of participants for the BGS auction, and the heightened competition would consequently benefit the ratepayers of New Jersey. MSCGI argued that utility procurements in other jurisdictions such as Pennsylvania, Illinois, Maryland, Delaware and the District of Columbia have adopted, or are in the process of adopting, similar language in their respective contracts, including affiliates of ACE and JCP&L.

EDC Comments

The EDCs indicated that they are not opposed to adhering to the US Stay Protocol and incorporating its terms into the SMAs as doing so would allow market participants that are subject to regulations issued by the Board of Governors of the Federal Reserve System (12 C.F.R. §§ 252.81-88), the Federal Deposit Insurance Corporation (12 C.F.R. §§ 382.1- 7) and the Office of the Comptroller of the Currency (12 C.F.R. §§ 47.1-8) ("U.S. Stay Regulations") to participate in the BGS Auctions. See EDC Final Comments at 23. According to the EDCs, the SMAs are considered covered agreements under the U.S. Stay Regulations and without incorporating the terms of the US Stay Protocol into the SMAs, and without the EDCs becoming adhering parties to the US Stay Protocol, a GSIB, GSIB affiliate, or GSIB subsidiary could not enter into the SMAs in the event it is a winning bidder in the BGS Auctions. The U.S. Stay Regulations introduce a forty-eight (48)-hour stay rule that requires counterparties to temporarily delay exercising certain default rights under QFCs with a GSIB (or affiliate or subsidiary of a GSIB) for forty-eight (48) hours after a GSIB (or affiliate or subsidiary of a GSIB) enters resolution. Ibid. The EDCs asserted that incorporating the terms of the US Stay Protocol into the SMAs would not limit the EDCs' rights to terminate the SMA and/or exercise their default rights under the SMAs. Ibid.

In reviewing MSCGI's proposal and the terms of the Stay Protocol, the EDCs noted that incorporating the terms of the US Stay Protocol into the SMAs would have no effect on other bidders, and any appendix to the SMAs that incorporates the terms of the US Stay Protocol would only be applicable to winning bidders that are GSIBs or affiliates or subsidiaries of GSIBs. Id. at 23-24. Incorporating the terms of the US Stay Protocol into the SMAs would not alter the qualification requirements for any bidder applying to participate in the BGS Auctions, and all bidders, including GSIBs and their affiliates and subsidiaries, would continue to face the same application standards and requirements. Id. at 24. Additionally, incorporating the terms of the Stay Protocol also does not lessen or soften the collateral requirements for GSIBs and their affiliates or subsidiaries under the SMAs. The Financial Stability Board, in consultation with Basel Committee on Banking Supervision and governmental authorities, identified twenty-nine (29) GSIBs for 2024. Although adhering to the US Stay Protocol and incorporating its terms into the SMAs does not guarantee that these GSIBs or their affiliates or subsidiaries will participate in the BGS Auctions, the EDCs recognize that taking these actions will enable these entities to participate in the BGS Auctions and that not taking these actions would inhibit their ability to do so. Ibid. Adopting MSCGI's recommendation to incorporate the terms of the Stay Protocol into the SMAs by way of an appendix to the SMAs could serve to attract a greater number of bidders in the BGS Auctions and broaden the bidder pool. Ibid. The EDCs maintained that encouraging participation, and thus encouraging competition, in the BGS Auctions further helps to obtain reliable supply at prices consistent with market conditions to the benefit of ratepayers. Ibid.

In order that the form of any appendix intended to incorporate the terms of the US Stay Protocol appropriately aligns with the text and terms of the BGS-RSCP SMA and BGS-CIEP SMA, the EDCs have included as appendices to their Final Comments, their own draft appendices that would be incorporated into the BGS-RSCP SMA and BGS-CIEP SMA as Appendix I and Appendix F, respectively, if so directed by the Board. Id. at 23-25. Under Appendix I and Appendix F, the EDCs, as well as the BGS-RSCP or BGS-CIEP Supplier (and their Guarantor, if applicable), would confirm adherence to the US Stay Protocol. Bidders who are not classified as GSIBs, or who are not affiliates or subsidiaries of GSIBs, would not execute Appendix I or Appendix F. Further, to ensure that BGS suppliers who are GSIBs, including GSIB affiliates and subsidiaries, execute Appendix I or Appendix F (if applicable), the EDCs proposed to include language in each SMA relating to the BGS supplier's obligations that references the appropriate Appendix. The EDCs have included, as appendices to these Final Comments, draft language that would be incorporated into Section 2.2 of each of the BGS-RSCP SMA and BGS-CIEP SMA, if so directed by the Board. Id. at 25.

The EDCs stated that they would need to become adhering parties to the US Stay Protocol if the Board approves MSCGI's proposal. Further, a one (1)-time fee ($500) is required to be paid to the ISDA to become an adhering party to the US Stay Protocol. The EDCs requested that if the Board directs the EDCs to adhere to the US Stay Protocol, that the Board also allows the EDCs to recover the one (1)-time fee and any applicable administrative costs involved with becoming adhering parties to the US Stay Protocol through the EDCs' BGS reconciliation charges. Ibid. Should the Board approve the proposal by MSCGI and further direct the EDCs to become adhering parties to the US Stay Protocol, the EDCs will take the steps necessary to become adhering parties to the Stay Protocol prior to the start of the BGS Auctions. Ibid.

Accordingly, the EDCs requested that if the Board approves MSCGI's proposal: the Board direct the EDCs to incorporate the EDCs' proposed draft Appendices I and F (included as Appendices A and B to the EDCs' Final Comments) into the respective SMAs; the Board direct the EDCs to incorporate the EDCs' proposed language surrounding the execution of the proposed draft Appendices I and F (such language is included in Appendices C and D to the EDCs' Final Comments) into the respective SMAs; and the Board direct the EDCs to become adhering parties to the US Stay Protocol.

NEXTERA PROPOSALS

Regulatory Risk Assessment: DOE Emergency Authority Actions and BGS Supplier

In its Initial Comments, NextEra stated that the Department of Energy ("DOE") exercised emergency authority under Section 202(c) on two (2) occasions during 2025 to postpone the retirement of Eddystone Units 3 and 4. According to NextEra, an initial May 2025 order extended operations through August 2025 based on identified reliability concerns within the regional grid and a subsequently order was issued further extending operations through November 2025. NextEra stated that the latter order incorporated FERC's approval of PJM's proposal to allocate operational costs across all PJM load obligations.

NextEra argued that these regulatory actions introduce several material risks for BGS Suppliers, including: 1) regulatory uncertainty as emergency orders are issued with limited advance notification; 2) precedential risk as emergency interventions may establish informal precedents for future cost allocations without prior stakeholder input or formal rulemaking procedures; and 3) cost recovery ambiguity as the absence of established allocation methodologies creates uncertainty regarding financial exposure and recovery mechanisms.

Per the Proposal, any PJM charges, credits, or obligations not explicitly designated as EDC responsibilities will remain with, or become the responsibility of, BGS suppliers. NextEra stated that, given that charges associated with DOE emergency orders are not enumerated in Appendix H of the BGS-RSCP Supplier Agreement, absent clarification, such costs may be allocated to BGS Suppliers. According to NextEra, this regulatory precedent establishes material risk exposure that BGS Suppliers must incorporate into their bidding strategies. NextEra argued that the potential for future DOE interventions—whether concerning Eddystone's continued operation or additional generation assets—could necessitate the inclusion of appropriate risk premiums in supplier bids to account for this regulatory uncertainty and potential cost allocation exposure. Accordingly, NextEra recommended that that costs associated with any DOE emergency orders issued under Section 202(c) of the Federal Power Act be explicitly excluded from BGS Supplier responsibilities to ensure appropriate risk allocation and prevent the addition of unnecessary risk premiums.

Rate Counsel Comments

In its comments at the Legislative-Type Hearing, Rate Counsel stated that while it is unable to verify whether – and to what extent – risk premiums are being added by any particular bidder, uncertainty around bidder responsibility for these costs could conceivably cause less bidder participation, which is unlikely to benefit BGS customers. <u>See</u> T1 28:21 to 29:3. Accordingly, Rate Counsel indicated that it did not oppose NextEra's proposed clarification since the DOE's Section 202(c) actions are beyond the control of BGS suppliers and impacts all ratepayers. <u>Id.</u> at 29:4 to 8.

EDC Comments

In their Final Comments, the EDCs indicated that, as a result of PJM's proposal to allocate the above-mentioned costs to all LSEs in the PJM region, two (2) new invoice billing line items were established in August 2025. <u>See</u> EDC Final Comments at 26-27. These billing line items were related to charges and credits stemming from actions taken in response to DOE orders issued under Section 202(c) of the FPA. Specifically, charges (costs) to be allocated to LSEs across the PJM region will appear under PJM billing line item 1935 and credits back to the applicable generator will appear under line item 2935. Id. at 27. As these two (2) line items were established after the EDCs filed the Proposal, the filed forms of the BGS-RSCP SMA and BGS-CIEP SMA did not include them in the respective appendices that each provide a sample PJM invoice. Ibid.

The EDCs further explained that, on June 18, 2025, PJM initiated an issue charge ("Issue Charge") to address the cost allocation options for potential future costs stemming from potential future emergency orders under Section 202(c) of the FPA. The Issue Charge indicates that the work by PJM's new DOE Order Cost Allocation Senior Task Force was expected to conclude on September 30, 2025 to facilitate a filing to the FERC by October 31, 2025. Ibid.

The EDCs acknowledged that it is not possible to predict when, and at what frequency, the DOE might issue an emergency order under Section 202(c) of the FPA or when an existing order could be extended. Id. at 28. Although the emergency orders issued under Section 202(c) of the FPA may require generation resources to remain operational beyond their planned retirement date for up to ninety (90) days from issuance in specific circumstances [each of the Initial and Second Eddystone Orders expired after ninety (90) days from issuance], the ability of the DOE to extend or issue additional emergency orders under Section 202(c) of the FPA contributes to the uncertainty surrounding the costs associated with these emergency orders. Ibid. The EDCs also stated that, at the time of submission of their final comments, PJM had not yet made a filing to the FERC containing a proposal on the cost allocation methodology for potential costs resulting from the second Eddystone order, or a proposal on the cost allocation methodology for potential future costs stemming from potential future DOE emergency orders under Section 202(c) of the FPA. Ibid. The EDCs maintained that it is unclear whether future costs resulting from these emergency orders will be allocated to all LSEs across the PJM region or if these costs will be allocated on a location-specific basis. Ibid.

Given the uncertainty surrounding the magnitude, frequency, and allocation of these costs, and also given that the responsibility for specific transmission-related costs (including Reliability Must Run costs) have previously been transferred from BGS suppliers to the EDCs, the EDCs indicated that they do not oppose NextEra's recommendation. Id. at 28-29. The EDCs asserted that exclusion of costs associated with DOE emergency orders under Section 202(c) of the FPA from BGS supplier responsibilities should serve to prevent the addition of unnecessary risk premiums by BGS suppliers. As such, the EDCs proposed that the specific PJM statement billing line item 1935 be transferred to the EDCs and not be the responsibility of the BGS suppliers. If this proposal is approved by the Board, the EDCs stated that they would update the tables within Appendix H of the BGS-RSCP SMA and Appendix E of the BGS-CIEP SMA to reflect that the PJM billing line item 1935 will be transferred to the EDCs within their compliance filings. Id. at 29. The EDCs indicated that PJM billing line item 2935 would not need to be transferred to the EDCs, as this line item would provide credits back to the applicable generator and functionally would not be a cost on the BGS suppliers. Ibid.

The EDCs further proposed that if the Board approves NextEra's recommendation, that PJM billing line item 1935 would only be transferred to the EDCs beginning June 1, 2026, and would only be transferred under the SMAs executed following the 2026 BGS Auctions; the EDCs did not propose to amend prior SMAs for BGS suppliers currently serving BGS load. Ibid. The EDCs believe the transfer of PJM billing line item 1935 would serve to reduce the likelihood of potential bidders including risk premiums in their bids for the upcoming 2026 BGS Auctions. In order for the EDCs to transfer PJM billing line item 1935 beginning June 1, 2026, only for the portion of BGS supply procured in the 2026 BGS Auctions (and not for those suppliers serving load won in the 2024 and/or 2025 BGS-RSCP Auctions), winning suppliers in the 2026 BGS Auctions who are currently serving BGS load procured in the 2024 and/or 2025 BGS-RSCP Auctions would need to provide a new PJM short name to each EDC with which it wins load in the 2026 BGS Auctions; this is in addition to, and different from, the PJM short name already established with the EDC(s) for the BGS load procured in the 2024 and/or 2025 BGS-RSCP Auctions. Winning suppliers in the 2026 BGS Auctions who are not currently serving BGS load procured in the 2024 and/or 2025 BGS-RSCP Auctions will also need to provide a PJM short name to each EDC with which it wins load in the 2026 BGS Auctions. The PJM short name is a unique identifier that is established in PJM's system that, among other things, enables the EDC load settlement processes with PJM. Id. at 29-30. The EDCs require the BGS supplier's PJM short name in order to properly allocate the appropriate PJM billing line items listed in the applicable BGS SMA between the EDC and BGS supplier. Additionally, each EDC uses a BGS supplier's PJM short name to assign the correct share of BGS load to the BGS supplier, and to allocate the appropriate PJM billing line items for such load, prior to the BGS supplier serving load on June 1 of the applicable year. If a BGS supplier that is currently serving load won in the 2024 and/or 2025 BGS-RSCP Auctions does not provide the applicable EDC with a new PJM short name, the EDC will not be able to transfer PJM billing line item 1935 to the EDC for the portion of load won in the 2026 BGS Auctions. As such, the EDCs have included within Appendix C and Appendix D to their Final Comments draft language that would be incorporated into Section 2.2 of each of the BGS-RSCP SMA and BGS-CIEP SMA to reflect that a BGS supplier would provide to the EDC, as needed, a new PJM short name to allow for the transfer of the PJM billing line items listed in Table H-1 of the BGS-RSCP SMA and Table E-1 of the BGS-CIEP SMA. Ibid.

Additionally, should the Board approve the transfer of this billing statement line item to the EDCs for winning suppliers in the 2026 BGS Auctions, the EDCs requested that the Board also allow the EDCs to recover these PJM costs through their respective reconciliation charges. According to the EDCs, due to the inherent, potentially short-term nature of the emergency orders under Section 202(c) of the FPA, and for the same reasons BGS suppliers are unable to predict the costs from these emergency orders, the EDCs also cannot predict these costs. As such, the EDCs hold that recovering these costs through their respective reconciliation charges is appropriate. Id. at 30-31.

In summary, the EDCs requested that if the Board approves NextEra's proposal that the Board 1) direct the EDCs to transfer PJM billing line item 1935 to the EDCs beginning June 1, 2026, for only those BGS suppliers that win tranches beginning in the 2026 BGS Auctions; 2) direct the EDCs to incorporate the EDCs' proposed language on providing a new PJM short name as needed (included in Appendices C and D to the EDCs Final Comments) into the respective SMAs; and 3) allow the EDCs to recover the costs associated with PJM billing line item 1935 through their respective reconciliation charges.

BGS EDC Municipal Aggregation Enrollment

Under the current methodology, the auction manager posts aggregation information twice per year (January and September), and only provides which municipalities have had aggregations, and not what is active or will become active. NextEra argued that additional information monthly or information on what is active would provide clarity and may reduce risk premiums.

Rate Counsel Comments

In its comments at the Legislative-Type Hearing, Rate Counsel argued that it is unclear if monthly information can be made available for BGS suppliers, or if it will be useful to BGS suppliers, since participation activity is variable from month to month. See T1 29:16 to 20. However, Rate

Counsel indicated that it did not object to further review of this issue for consideration in future BGS auctions. Id. at 21-23.

EDC Comments

In their Final Comments, the EDCs asserted that they already provide on the BGS Auction website monthly switching statistics that include the number of Government Energy Aggregation ("GEA") participants across various customer groups. The EDCs further claimed that this information is also provided to the Board and is available on the Board's website. The EDCs believe the availability of this monthly information addresses part of NextEra's request. See EDC Final Comments at 31.

The municipal aggregation data that the EDCs currently provide on the BGS Auction website is updated twice per year, once in September and again in January prior to the start of the BGS Auctions. According to the EDCs, the following information is made available by the EDCs in the biannual update: 1) PSE&G provides the names of municipalities in its territory for which a GEA program exists or is pending; 2) JCP&L provides the names of municipalities that have had suppliers win bids to pursue aggregation; and 3) ACE provides the names of municipalities that have enrolled customers with a TPS as a result of a completed aggregation effort. RECO currently does not have any municipalities that have enrolled customers with a TPS as a result of a completed aggregation effort. Id. at 31-32.

The EDCs stated that they are amenable to providing additional clarity surrounding the municipal aggregation data that is updated twice a year. Specifically, the EDCs committed to continuing to update this data twice per year consistent with current practice. The EDCs will provide the names of the municipalities in their territories with active municipal aggregation programs and those for which municipal aggregation programs are pending. Id. at 32.

DISCUSSION AND FINDINGS

BGS-RSCP and BGS-CIEP AUCTION FORMAT

In reaching our decision regarding the provision of BGS for the period beginning June 1, 2026, the Board is mindful that the current BGS Auction process contains a set of carefully crafted and well-defined features, and that it is not always possible to modify one (1) aspect of the process without disrupting the balance of the entire process. In 2001, when the Auction process was a new concept, the Board considered many arguments for alternate processes, alternate designs within the Auction framework, and varying procurement periods. In 2002, after conducting a process open to all interested participants, the Board determined that it was appropriate to retain the basic Auction design while initiating separate Auctions for both BGS-RSCP and BGS-CIEP customers.[19] For the 2003 through 2025 BGS Auctions, the Board continued to approve descending-clock Auctions for the procurement of default service while continuing to adjust certain elements of the process.[20]

The Board afforded an opportunity for parties to file alternatives for Board consideration on how to procure the BGS requirements for the RSCP and CIEP customer classes for the period beginning June 1, 2026. At this time, while the Board is again presented with recommendations to modify certain elements of the Auction process, there have not been fully developed, concrete proposals to change the basic descending-clock Auction design. The Board believes that the Auction process implemented with the 2002 Auction, and since modified, resulted in the best prices possible at the time.

The Board appreciates the efforts of all involved to provide constructive comments and criticism to improve on a process that is important to all ratepayers. It is the Board's intent to reach a balance of competing interests, while remaining mindful of its statutory responsibility to ensure continued provision of BGS at just and reasonable rates consistent with market conditions. N.J.S.A. 48:3-57(a)(1). The Board will address the issues raised by the parties during the proceeding in this Order.

Based upon the experience of previous BGS Auctions, and having considered the record in this matter, the Board **HEREBY FINDS** that the EDC-proposed BGS-RSCP and BGS-CIEP Auctions, using a descending-clock Auction format, should be used for the procurement period beginning June 1, 2026.

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[19] In re the Provision of Basic Generation Service Pursuant to the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49 et seq., BPU Docket Nos. EO02070384 and EX01110754, Order dated December 18, 2002.

[20] Board Orders dated December 2, 2003, Docket No. EO03050394; December 1, 2004, Docket No. EO04040288; December 8, 2005, Docket No. EO05040317; December 22, 2006, Docket No. EO06020119; January 25, 2008, Docket No. ER07060379; January 20, 2009, Docket No. ER08050310; December 10, 2009, Docket No. EO09050351; December 6, 2010, Docket ER10040287; November 11, 2011, Docket No. EO11040250; November 20, 2012, Docket No, ER12060485; November 22, 2013, Docket No. ER13050378; November 24, 2014, Docket No. ER14040370; November 16, 2015, Docket No. ER15040482; October 31, 2016, Docket No. ER16040337; November 21, 2017, Docket No. ER17040335; November 19, 2018, Docket No. ER18040356; November 13, 2019, Docket No. ER19040428; November 18, 2020, Docket No. ER20030190; November 17, 2021, Docket No. ER21030631; November 9, 2022, Docket No. ER22030127; November 17, 2023, Docket No. ER24030191; and November 21, 2024, Docket No. ER24030191.

BGS-CIEP AUCTION SUPPLY PERIOD

The Board notes that no party took issue with the continued use of a twelve (12)-month period for the BGS-CIEP Auction. As such, the Board **HEREBY FINDS** that a twelve (12)-month procurement period is appropriate and reasonable, and **HEREBY APPROVES** that aspect of the EDCs' Proposal.

BGS-RSCP AUCTION SUPPLY PERIOD

The Board notes that no party took issue with the continued use of a three (3) year BGS auction structure. In its Initial Comments, Rate Counsel concluded that the BGS-RSCP provides residential and small commercial customers who have not chosen a TPS with a three (3)-year product for energy and capacity supply. See Rate Counsel Initial Comments at 3. Rate Counsel stated that changes in BGS-RSCP prices over the last ten (10) years follow comparable consumer price indices over the same period and that, with the exception of the price increases experienced in the last year, BGS-RSCP and BGS-CIEP auction prices are generally lower than inflation. Ibid. Rate Counsel further stated that the three (3)-year procurement structure enables prices to remain stable, since short-term market fluctuations are mitigated by virtue of only one-third of the portfolio for RSCP customers being exposed to current market conditions at each auction. Id. at 5.

Based upon previous BGS Auctions, and having considered the record in this matter, the Board **HEREBY FINDS** that the current staggered three (3)-year rolling procurement process used for the BGS-RSCP Auction provides a hedge to customers in a time of extreme weather events that impact prices, volatile energy prices, and the potential increased capacity prices, even though it may make it more difficult for retail suppliers to compete for RSCP customers in times of rising prices. By way of contrast, in periods where market prices started to come down in wholesale electric markets, TPSs have been able to be somewhat more competitive than the rolling three (3)-year average BGS-RSCP Auction price. The Board **FURTHER FINDS** that the goal of the BGS procurement process should be to enable smaller commercial and residential customers to benefit from both a stable yet market-based rate for BGS-RSCP supply for this service while still allowing these customers the ability to choose alternative providers.

As such, the Board **HEREBY FINDS** that the use of the staggered three (3)-year rolling procurement process, ensuring price stability, is a policy decision that has value for those customers who continue to receive BGS service from the EDCs. The Board **HEREBY DIRECTS** the EDCs to procure the approximate one-third of the EDCs' current BGS-RSCP load not under contract for a thirty-six (36)-month period. The tranche-weighted average of the winning bids from the upcoming thirty-six (36)-month period, blended with the tranche-weighted average of the 36-month supply contracts secured previously, will be used to determine the price for BGS-RSCP rates for the June 1, 2026, to May 31, 2027, period.

CAPACITY PROXY PRICE

The Board continues to recognize the difficulty in setting a Capacity Proxy Price because the BRA traditionally produced volatile results. As noted by Rate Counsel and the EDCs, some uncertainty remains for the upcoming BGS-RSCP Auction regarding the BRA results for the 2027/2028 and 2028/2029 delivery years. Because the Board cannot know the upcoming capacity auction prices, the Board **HEREBY APPROVES** the EDCs' proposal to use a Capacity Proxy Price equal to the most recent BRA results for the 2027/2028 and 2028/2029 delivery years. Additionally, should the BRA results for the 2027/2028 become available five (5) business days prior to the BGS-RSCP Auction, the EDCs are to use those results to set the Capacity Proxy Price for the

2028/2029 delivery year. The Board agrees that, should the prices be known five (5) business days prior to the BGS-RSCP Auction, the EDCs will no longer need the Capacity Proxy Price for the applicable delivery year and will be voided.

DCFC PILOT PROGRAMS

The Board notes that three (3) of the EDCs proposed to eliminate their DCFC pilot programs, citing lack of participation. Rate Counsel has not opposed the elimination of the pilots by ACE, PSE&G and RECO. Accordingly, the Board **HEREBY AUTHORIZES** ACE, PSE&G, and RECO to terminate their DCFC pilot programs, effective June 1, 2026.

JCP&L has proposed to continue to offer its pilot program through May 31, 2027, unless the Company terminates its EV Driven Program. No party opposed this proposal. Accordingly, the Board **HEREBY AUTHORIZES** JCP&L to continue its DCFC pilot program through May 31, 2027. In its 2027 BGS Company-Specific Addendum, JCP&L shall file a proposal to implement a permanent DCFC program or provide justification for ending the program.

As previous Board Orders required the filing of reports related to the DCFC pilot programs, the Board **HEREBY DIRECTS** the EDCs to continue filing the quarterly reports as long as there are program participants.

REMOTE AUCTION

The Board agrees that the remote BGS Auctions held over the previous few years were successful. Accordingly, the Board **HEREBY APPROVES** the EDCs' proposal to conduct the 2025 BGS Auctions remotely.

RECO CENTRAL AND WESTERN BGS CUSTOMER REQUIREMENTS

Having received no opposition to RECO's proposal related to the capacity requirements of its Central and Western BGS customers, the Board **HEREBY APPROVES** RECO's proposal.

PSE&G TOU PROPOSALS

The Board notes that no party opposed PSE&G's TOU proposals related to amending the RS TOU-3P rate to redistribute the capacity costs over both the on-peak and mid-peak periods or the implementation of RS TOU-3P rates for FERC-approved changes in firm transmission service-related charges for BGS customers. Accordingly, the Board **HEREBY APPROVES** PSE&G's proposal.

MSCGI PROPOSAL

The Board appreciates MSCGI's comments and proposal submitted in this matter. The Board notes that no party opposed MSCGI's proposal. The EDCs noted that the proposal would have no effect on other bidders, and any appendix need to the SMA would only be applicable to winning bidders that are GSIBs or affiliates or subsidiaries of GSIBs. The EDCs also recognized that taking these actions would enable these entities to participate in the BGS Auctions which could serve to attract a greater number of bidders and broaden the bidder pool. The Board agrees. Accordingly, the Board **HEREBY APPROVES** MSCGI's proposal. The Board **DIRECTS** the EDCs to incorporate the modify the SMAs to include appendices to incorporate the proposal. The Board further **DIRECTS** the EDCs to incorporate the proposed language surrounding the execution of the of the appendices into the respective SMAs. Finally, the Board **HEREBY DIRECTS** the EDCs, to the extent necessary, to become adhering parties to the US Stay Protocol.

NEXTERA PROPOSALS

Regulatory Risk Assessment: DOE Emergency Authority Actions and BGS Supplier

The Board notes that no party opposed NextEra's proposal that charges associated with DOE emergency orders be excluded from allocation to suppliers. Accordingly, the Board **HEREBY DIRECTS** the EDCs to amend the SMAs to reflect this clarification, effective June 1, 2026, and to notify previous BGS winners of the need to provide new PJM short names. Additionally, the Board recognizes that, similar to suppliers, the EDCs are unable to predict the costs from these emergency orders. Accordingly, the Board **HEREBY AUTHORIZES** the EDCs to recover the PJM charges associated with DOE emergency orders through their respective reconciliation charges.

BGS EDC Municipal Aggregation Enrollment

The Board notes that no party opposed NextEra's request for additional GEA information. The Board notes that the monthly switching statistics, including GEA participants are is available on the Board's website. Additionally, the EDCs update this information twice a year on the BGS Auction website. The EDCs have committed to continuing to updated the data twice per year and will provide the names of the municipalities in their territories with active municipal aggregation programs and those for which municipal aggregation programs are pending. The Board **HEREBY DIRECTS** the EDCs update the BGS Auction website with this information with the next scheduled update for this information.

CONFIDENTIALITY

The EDCs requested that the Board approve a confidentiality order as in prior years. The integrity of the Auction process depends on a fair set of rules that promotes dissemination of information in a non-discriminatory manner, and results in no bidder or bidders having an advantage over any other. From the Board's experience with prior BGS Auctions, it appears that certain information pertaining to the Auction design methodologies, including, but not limited to, the starting price and volume adjustment guidelines, if made public, could potentially distort the Auction results. Furthermore, information provided in the bidder application forms and specific bidder activity during the Auction may be information that, if disclosed, could place bidders at a competitive disadvantage and/or could also potentially distort the Auction results. The Board considered and found that certain financial and competitive information should be protected, not only as a matter of fairness to potential bidders, but also to ensure that these and any future BGS Auctions are competitive. These confidentiality provisions were adopted and applied in subsequent Auctions.[21] The Board **HEREBY FINDS** that the confidentiality provisions of its December 1, 2004 Order in Docket No. EO04040288 remain necessary and appropriate for the continued success of the BGS Auctions, and **HEREBY APPROVES** the same confidentiality provisions for the 2026 BGS Auctions and incorporates the reasoning and relevant provisions of its December 1, 2004 Order as if set forth at length herein. A copy of that Order is attached hereto as Attachment C.

[21] In re the Provision of Basic Generation Service for Year Three of the Post-Transition Period – Confidentiality Issues, BPU Docket No. EO04040288, Order dated December 1, 2004 ("December 1, 2004 Order").

AUCTION PROMOTION/DEVELOPMENT

Based upon a review of the record, the Board **HEREBY FINDS** that a successful BGS procurement can be achieved with a well-designed simultaneous descending clock Auction, provided that the rules and details are specified and implemented correctly, and provided that the Auction process provides sufficient awareness among qualified potential bidders so that a competitive procurement takes place. To maximize participation and competition, the Auction process requires a marketing and promotion plan aimed at ensuring exposure and awareness among qualified potential bidders. This year, as in past years, the EDCs and the Auction Manager will attempt to facilitate the Auction process and increase the number of prospective bidders by publicizing the Auctions and by educating potential bidders about the proposed Auctions. Among the steps to be undertaken are the following:[22]

- Bidder Information Webcasts;
- An Auction Web Site at www.bgs-auction.com which publicizes new developments, allows interested parties to download documents related to the Auctions, has FAQs (Frequently Asked Questions with answers) so all bidders are similarly informed, provides potential bidders with data relevant to the bidding process, and has links to PJM and other useful sites;
- Press releases to newspapers and trade publications; and
- Direct e-mails to interested parties to inform them of any new developments or any new documents posted to the web site.

The Board **HEREBY FINDS** that the foregoing marketing efforts by the EDCs and the Auction Manager should increase the chances that a successful BGS procurement will be achieved. Accordingly, the Board **HEREBY APPROVES** continuation of the above-referenced Auction process promotion initiatives.

BOARD APPROVAL PROCESS

As noted above, the Board believes that a successful BGS procurement can be achieved with a well-designed simultaneous descending clock Auction process, provided that the rules and details are specified and implemented correctly. Therefore, barring some unforeseen emergency, the timing of the Auction process approved with this Order, including certification of the Auction results, needs to take place according to a pre-approved schedule. As indicated in Attachment A, Tentative 2026 Auction Approvals and Decision Process, there are a number of decisions/actions that need to be made after Board approval of the Auction process.[23] Each of these decisions/actions needs to take place according to such a schedule so that the bidders are prepared for and comfortable with participating in the Auctions, and the Auctions result in competitive market-based BGS prices.

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[22] These actions have occurred for past Auctions, and in anticipation of a favorable Board ruling herein, some of these actions may have already been undertaken for the 2026 Auction.

[23] Attachment A is labeled "Tentative" to indicate that the Auction Manager, in consultation with Staff, has discretion to make minor adjustments to these dates in order to provide for an orderly implementation process, not to indicate that the Board anticipates any significant changes to this schedule.

Based upon the Board's experience with the previous BGS Auctions, uncertainty or delay in the period between the submission of bids and the approval of bid results by the Board is of substantial concern to bidders. Paramount among the actions that must be taken by the Board is prompt certification of the Auctions' results. Because of the volatility of the electric markets, bids cannot remain viable for any prolonged period of time. If bidders perceive that there may be a delay in certifying the results, this perceived additional risk could be reflected through higher bid prices. Furthermore, the Auctions have been designed to secure supply for all four (4) EDCs at the same time. The structure of the Auctions that permits and encourages bidder movement among EDC products implies to the bidders that, while being different products, tranches will be viewed on equal terms by the Board. It is important to the efficiency and economy of the process that bidders do not impute unwarranted uncertainty into the Auction results of any EDC. Therefore, as with past Auctions, the Board will consider the results of the BGS-RSCP Auction in their entirety and consider the results of the BGS-CIEP Auction in their entirety and certify the results of each Auction for all of the EDCs or for none of them. The Board will also commit to addressing the results of the BGS-RSCP Auction and the BGS-CIEP Auction no later than the second business day after the last Auction closes.[24] At its discretion and depending on circumstances, the Board may address the results of one (1) Auction that has closed while the second Auction continues. However, under all circumstances, the Board intends to have considered the outcome of both Auctions by no later than the second business day after the last Auction closes.

In recognition of the significance of this proceeding, the Board **HEREBY DIRECTS** the EDCs to submit a Compliance Filing by December 5, 2025. Further, the Board grants Staff the authority to review the EDCs' compliance filings, and to request that the Board Secretary issue compliance letters approving the filings should Staff find them in compliance with this Order.

Either the EDCs or the Auction Manager, in consultation with Staff and the Board's advisor, may make other Auction decisions as identified in Attachment A to this Order. These decisions include establishing minimum and maximum starting prices, establishing specific starting prices, the resolution of association issues, specific bidder application and credit issues, load cap and volume adjustment decisions, Auction price decrements, and other decisions, which might be required throughout the implementation process. Some of the aforementioned areas, such as bidder application and credit issues, are subject to specific rules found in the Proposal. Other areas, such as load caps and volume adjustment decisions, establishing minimum and maximum starting prices, establishing specific starting prices, the resolution of association issues, and Auction price decrements, are either Company-specific concerns, are determined directly from algorithms included in and approved as part of this proceeding, or are issues best addressed by the Auction Manager based on its experience. If these areas need to be addressed by the Auction Manager, the Board **HEREBY DIRECTS** that the Auction Manager include in its Final Report a description of any such actions. Should any unforeseen circumstances occur during the Auction decision-making process, the Board **HEREBY DIRECTS** Staff to immediately bring the matter to the Board's attention.

When the Auctions are complete, the Board will review and consider the results within the time frame set forth above. Prior to Board certification of the results, the Auction Manager will provide a Final Report to the Board on the results of the Auctions and how the Auctions were conducted, including the post-Auction evaluation forms in Attachment B. The Auction Manager will also

[24] As used in this Order, a "business day" is a day when the Board is open for business. Should weather or other conditions make the Board's offices inaccessible, the period will run until the end of the next day that is not a Saturday, Sunday or legal holiday.

provide a redacted version of the Final Report, consistent with the confidentiality provisions of this Order, to the EDCs and Rate Counsel. The Board's Auction advisor shall provide a Precertification Report to the Board, including completed post-Auction evaluation forms in the form of Attachment B to this Order, prior to Board certification of the results.

FINDINGS AND CONCLUSIONS

Based upon the foregoing and after carefully reviewing the record in this proceeding, the Board **HEREBY FINDS** that:

This was an open proceeding, with all parties seeking to present written or oral comments on the record having been afforded the opportunity to do so;

The Proposal, as modified herein, is consistent with the Electric Discount Energy and Competition Act, N.J.S.A. 48:3-49 et seq., and the EDCs' Final Restructuring Orders;

The Proposal, as modified herein, can and should be implemented in a timely fashion to secure BGS service for BGS customers beginning June 1, 2026;

The Proposal, as modified herein, appears to be the best means to secure BGS service for the 2026 BGS period for BGS-CIEP customers, and for the remaining one-third of the needs of BGS-RSCP customers, as well as for a portion of the BGS-RSCP service required for the 2027 and 2028 BGS periods;

An Auction process for one-third of the EDCs' BGS-RSCP load for a thirty-six (36)-month period balances risks and provides a reasonable opportunity for price stability under current conditions;

An Auction process for procurement of the entire non-shopping BGS-CIEP load for a twelve (12)-month period is appropriate;

The EDCs' BGS-RCSP rate designs, as modified herein, is an appropriate methodology to translate final BGS-RCSP bids into customer rates for the purpose of this Auction;

The application of seasonal payment factors to the tranche-weighted Auction prices, determined in the manner prescribed herein, is appropriate, and may be updated by the EDCs in January to reflect the most recent data;

Consistent with the Board's policy that all CIEP customers benefit and should pay the costs of having BGS-CIEP service available, capacity is the bid product in the CIEP Auction and the CIEP Standby Fee will be assessed to all CIEP customers;

The EDCs are responsible to the Board for compliance with the RPS requirements;

The EDCs will prepare the RPS reports required by the Board on behalf of the BGS suppliers, and will contractually require the BGS suppliers to comply with the Board's RPS requirements;

The EDCs designated NERA to continue to act as the Auction Manager for the 2026 Auctions;

Fulfillment of their Auction obligations will not cause successful bidders in the BGS Auction to be "Electric Power Suppliers" as defined in N.J.S.A. 48:3-51 and N.J.A.C. 14:4-1.2, and thus, successful bidders do not need to obtain a New Jersey electric power supplier license to fulfill their Auction obligations;

All Auction rules, algorithms, and procedures that were unchanged in this proceeding, and were approved in prior Board Orders, as well as the Auction rules, algorithms, and procedures that were modified in this proceeding, including changes in the decrement formulas, are deemed reasonable for the purpose of these Auctions;

Certain information and processes associated with the Auctions may be competitively sensitive by nature, and the Board has incorporated herein a Protective Order addressing treatment of this competitive information as Attachment C;

The accounting and cost recovery processes identified in the EDC-specific Addenda to the Proposal, as modified herein, are reasonable and consistent with the Board's Final Unbundling Orders;

The EDC-specific Contingency Plans are reasonable;

The Tentative Approvals and Decision Process Schedule in Attachment A reasonably balance process efficiency with Board oversight;

Bates White will be the Board's Auction Advisor for the 2026 Auctions, and will oversee the Auctions on behalf of the Board consistent with the terms of its contract;

Designees from the Board's Revenue and Rates Division and the Board's advisor, Bates White, shall observe the Auctions for the Board;

Bates White shall also provide a completed post-Auction evaluation form using the form of Attachment B to the Board, prior to Board certification of the results;

The Board will consider the results of the BGS-RCSP Auction and the BGS-CIEP Auction each in its entirety and certify the results of each for all of the EDCs, or for none of them, no later than the second business day after the last Auction closes. At its discretion and depending on circumstances, the Board may address one Auction that has closed while the second continues;

Nothing herein is in any way intended to relieve the EDCs and/or the Auction Manager of their responsibilities to conduct the Auction in a lawful manner, including obtaining any appropriate licenses that may be required by law; and

For RPS compliance purposes, winning bidders in the 2026 BGS Auction, through the EDCs, will be credited with an equivalent level of non-utility generation Renewable Energy Certificates as would be available to them through the EDCs.

Accordingly, for the foregoing reasons, the Board **HEREBY** **APPROVES** the Proposal, including the BGS-RSCP and BGS-CIEP Auction Rules, the EDC-specific addenda and the SMAs, with the modifications described herein. The Board reserves the right, at the certification meeting, to reject the BGS-RSCP Auction results and/or the BGS-CIEP Auction results.

Furthermore, the Board **HEREBY** **ORDERS** that the Proposal be modified consistent with the foregoing, and that the EDCs make compliance filings consistent with this decision by December 5, 2025. The Board **HEREBY** **AUTHORIZES** Staff, after reviewing the EDCs' above described compliance filings, to request that the Board Secretary issue a compliance letter of approval if Staff upon review finds the filings in compliance with this Order.

The Board **HEREBY DIRECTS** the EDCs to work with Staff and Bates White to ensure that any supplemental documents are fair and consistent with this decision, and that the review procedures for bidder applications are applied in a consistent and non-discriminatory manner.

The EDCs' costs, including those related to BGS, will remain subject to audit by the Board. This Decision and Order shall not preclude, nor prohibit, the Board from taking any actions determined to be appropriate as the result of any such audit.

The effective date of this Board Order is November 21, 2025.

DATED: November 21, 2025

BOARD OF PUBLIC UTILITIES
BY:

CHRISTINE GUHL-SADOVY
PRESIDENT

DR. ZENON CHRISTODOULOU
COMMISSIONER

MICHAEL BANGE
COMMISSIONER

ATTEST:

SHERRI L. LEWIS
BOARD SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities.

IN THE MATTER OF THE PROVISION OF BASIC GENERATION SERVICE ("BGS") FOR THE PERIOD BEGINNING JUNE 1, 2026

DOCKET NO. ER25040190

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ATTACHMENT A

Tentative 2026 Auction Approvals and Decision Process

This document sets forth a high level view of the proposed approval and interaction process. For purposes of the decision making schedule, the following abbreviations apply:

1. EDCs – These are decisions for which the EDCs are solely responsible. The EDCs may draw upon the Auction Manager (AM) or consultants as they desire.

2. EDCs/BA – These are decisions for which the EDCs are solely responsible, where the Board Advisor (Staff and/or Bates White) will have an opportunity to observe the decision process, but for which consensus or approval is not requested.

3. EDCs/AM/BA – These are decisions for which the EDCs are responsible, but where the Auction Manager may advise, and the Board Advisor (Staff and/or Bates White) will have an opportunity to observe.

4. AM/BA – These are actions for which the Auction Manager is responsible, and on which the BA will have the opportunity to observe and advise.

5. BPU – These are actions to be taken by the Board.

6. AM/EDCs – These are actions for which the Auction Manager is responsible and for which the Auction Manager acts in concert with the EDCs.

Decision point	**Decision process**	**Timing**
Joint EDC Filing	EDCs	July 1, 2025
Announce minimum and maximum starting prices	AM	November 14, 2025
Announce Load Caps	AM/BA	November 14, 2025
Announce Tranche Sizes	AM/BA	November 14, 2025
Decision on Auction Process	BPU	November 21, 2025
Information webcast for potential bidders	AM/EDCs	December 2, 2025 (tentative)
Compliance Filings	EDCs	December 5, 2025
Approval of Compliance filing	BPU	December 2025
Final Auction Rules and Supplier Master Agreements available	AM/EDCs	December 2025
Part 1 Applications Due		December 16, 2025 (noon)
Review Part 1 applications	AM/BA	December 16-19, 2025

ATTACHMENT A

Tentative 2026 Auction Approvals and Decision Process

Part 2 Applications Due		January 14, 2026 (noon)
Review Part 2 applications	AM/BA	January 14-22, 2026
Information Webcast for registered bidders	AM/EDCs	January 28, 2026 (tentative)
First Trial Auction	AM	January 29, 2026
Second Trial Auction	AM	February 3, 2026
Inform bidders of EDC-specific starting prices	EDCs/AM/BA	CIEP – February 3, 2026 RSCP – February 4, 2026
BGS-CIEP Auction starts		February 6, 2026
BGS-RSCP Auction starts		February 9, 2026
Provide full factual report to Board	AM/BA	Upon completion of RSCP Auction
Board decision on Auction results	BPU	No later than by end of 2nd business day following the calendar day on which the last auction closes.

ATTACHMENT B
Docket No. ER25040190

POST-AUCTION CHECKLIST
FOR THE NEW JERSEY 2026 BGS-RSCP AUCTION

Prepared by: [Company]

[Introductory comments, if any.]

Auction began with the opening of Round 1 [x:xx am] on February 9, 2026

Auction finished with the close of Round ## [xxx] on [xxx]

	Start of Round 1	Start of Round 2 * (after volume reduction in Round 1, if applicable)	Start of Round n * (after post-Round 1 volume reduction, if applicable)
# Bidders			
Tranche target	## tranches	## tranches	## tranches
Eligibility ratio			
PSE&G load cap	## tranches	## tranches	## tranches
JCP&L load cap	## tranches	## tranches	## tranches
ACE load cap	## tranches	## tranches	## tranches
RECO load cap	## tranches	## tranches	## tranches
Statewide load cap	## tranches	## tranches	## tranches

* Note: [No volume adjustment was made during the RSCP auction, so the pre-auction tranche target and EDC-specific load caps were unchanged for the auction. Alternatively, note details of volume adjustments if they occurred.]

ATTACHMENT B
Docket No. ER25030190

Post-Auction Checklist for the New Jersey 2026 BGS-RSCP Auction

Table 1 below shows pertinent indicators and measures for the auction.

Table 1. Summary of BGS-RSCP Auction

	PSE&G	JCP&L	ACE	RECO	Total
BGS-RSCP peak load share (MW)					
Total tranches needed					
Starting tranche target in auction					
Final tranche target in auction					
Tranche size (%)					
Tranche size (approximate MW)					
Starting EDC load caps (# tranches)					
Starting statewide load cap (#tranches)					
Final EDC load caps (# tranches)					
Final statewide load cap (#tranches)					
Quantity procured (# tranches)					
Quantity procured (% BGS–RSCP load)					
# Winning bidders					
Maximum # of tranches procured from any one bidder					
Minimum and maximum starting prices prior to indicative bids (cents/kWh)					
Starting price at start of auction (cents/kWh) *					
Final auction price (cents/kWh) **					

* Price shown in "Total" column is an average across the EDCs weighted by each EDC's "Starting tranche target in auction".
** Price shown in "Total" column is an average across the EDCs weighted by each EDC's "Final tranche target in auction".

ATTACHMENT B
Docket No. ER25030190

Post-Auction Checklist for the New Jersey 2026 BGS-RSCP Auction

Table 2. Overview of Findings on BGS-FP Auction

	Question	Comments
1	BW's/NERA's recommendation as to whether the Board should certify the RSCP auction results?	
2	Did bidders have sufficient information to prepare for the RSCP auction?	
3	Was the information generally provided to bidders in accordance with the published timetable? Was the timetable updated appropriately as needed?	
4	Were there any issues and questions left unresolved prior to the RSCP auction that created material uncertainty for bidders?	
5	From what BW/NERA could observe, were there any procedural problems or errors with the RSCP auction, including the electronic bidding process, the back-up bidding process, and communications between bidders and the Auction Manager?	
6	From what BW/NERA could observe, were protocols for communication between bidders and the Auction Manager adhered to?	
7	From what BW/NERA could observe, were there any hardware or software problems or errors, either with the RSCP auction system or with its associated communications systems?	
8	Were there any unanticipated delays during the RSCP auction?	
9	Did unanticipated delays appear to adversely affect bidding in the RSCP auction? What adverse effects did BW/NERA directly observe and how did they relate to the unanticipated delays?	
12	Were appropriate data back-up procedures planned and carried out?	
11	Were any security breaches observed with the RSCP auction process?	
12	From what BW/NERA could observe, were protocols followed for communications among the EDCs, NERA, BPU staff, the Board (if necessary), and BW/NERA during the RSCP auction?	

ATTACHMENT B
Docket No. ER25030190

Post-Auction Checklist for the New Jersey 2026 BGS-RSCP Auction

Question		Comments
13	From what BW/NERA could observe, were the protocols followed for decisions regarding changes in RSCP auction parameters (e.g., volume, load caps, bid decrements)?	
14	Were the calculations (e.g., for bid decrements or bidder eligibility) produced by the RSCP auction software double-checked or reproduced off-line by the Auction Manager?	
15	Was there evidence of confusion or misunderstanding on the part of bidders that delayed or impaired the auction?	
16	From what BW/NERA could observe, were the communications between the Auction Manager and bidders timely and effective?	
17	Was there evidence that bidders felt unduly rushed during the process? Should the auction have been conducted more expeditiously?	
18	Were there any complaints from bidders about the process that BW/NERA believed were legitimate?	
19	Was the RSCP auction carried out in an acceptably fair and transparent manner?	
20	Was there evidence of non-productive "gaming" on the part of bidders?	
21	Was there any evidence of collusion or improper coordination among bidders?	
22	Was there any evidence of a breakdown in competition in the RSCP auction?	
23	Was information made public appropriately? From what BW/NERA could observe, was sensitive information treated appropriately?	
24	Does the RSCP auction appear to have generated a result that is consistent with competitive bidding, market-determined prices, and efficient allocation of the BGS-RSCP load?	

ATTACHMENT B
Docket No. ER25030190

Post-Auction Checklist for the New Jersey 2026 BGS-RSCP Auction

	Question	Comments
25	Were there factors exogenous to the RSCP auction (e.g., changes in market environment) that materially affected the RSCP auction in unanticipated ways?	
26	Are there any concerns with the RSCP auction's outcome with regard to any specific EDC(s)?	

ATTACHMENT B
Docket No. ER25040190

POST-AUCTION CHECKLIST FOR THE NEW JERSEY 2026 BGS-CIEP AUCTION

Prepared by: [Company] .

[Introductory comments, if any]

Auction began with the opening of Round 1 [x:xx am] on February 6, 2026

Auction finished with the close of Round ## [xxx] on [xxx]

	Start of Round 1	Start of Round 2 * (after volume reduction in Round 1, if applicable)	Start of Round n * (after post-Round 1 volume reduction, if applicable)
# Bidders			
Tranche target	## tranches	## tranches	## tranches
Eligibility ratio			
Statewide load cap	## tranches	## tranches	## tranches

* Note: [No volume adjustment was made during the CIEP auction, so the pre-auction tranche target and the statewide load cap were unchanged for the auction. Alternatively, note details of volume adjustments if they occurred.]

ATTACHMENT B
Docket No. ER25040190

Post-Auction Checklist for the New Jersey 2026 BGS-CIEP Auction

Table 1 below shows pertinent indicators and measures for the auction.

Table 1. Summary of BGS-CIEP Auction

	PSE&G	JCP&L	ACE	RECO	Total
BGS-CIEP peak load share (MW)					
Total tranches needed					
Starting tranche target in auction					
Final tranche target in auction					
Tranche size (%)					
Tranche size (approximate MW)					
Starting load cap (# tranches)					
Final load cap (# tranches)					
Quantity procured (# tranches)					
Quantity procured (% BGS-CIEP load)					
# Winning bidders					
Maximum # of tranches procured from any one bidder					
Minimum and maximum starting prices prior to indicative bids ($/MW-day)					
Starting price at start of auction ($/MW-day)*					
Final auction price ($/MW-day)**					

* Price shown in “Total” column is an average across the EDCs weighted by each EDC’s “Starting tranche target in auction”.
** Price shown in “Total” column is an average across the EDCs weighted by each EDC’s “Final tranche target in auction”.

ATTACHMENT B
Docket No. ER25040190

Post-Auction Checklist for the New Jersey 2026 BGS-CIEP Auction

Table 2. Overview of Findings on BGS-CIEP Auction

	Question	Comments
1	BW's/NERA's recommendation as to whether the Board should certify the CIEP auction results?	
2	Did bidders have sufficient information to prepare for the CIEP auction?	
3	Was the information generally provided to bidders in accordance with the published timetable? Was the timetable updated appropriately as needed?	
4	Were there any issues and questions left unresolved prior to the CIEP auction that created material uncertainty for bidders?	
5	From what BW/NERA could observe, were there any procedural problems or errors with the CIEP auction, including the electronic bidding process, the back-up bidding process, and communications between bidders and the Auction Manager?	
6	From what BW/NERA could observe, were protocols for communication between bidders and the Auction Manager adhered to?	
7	From what BW/NERA could observe, were there any hardware or software problems or errors, either with the CIEP auction system or with its associated communications systems?	
8	Were there any unanticipated delays during the CIEP auction?	
9	Did unanticipated delays appear to adversely affect bidding in the CIEP auction? What adverse effects did BW/NERA directly observe and how did they relate to the unanticipated delay?	
10	Were appropriate data back-up procedures planned and carried out?	
11	Were any security breaches observed with the CIEP auction process?	
12	From what BW/NERA could observe, were protocols followed for communications among the EDCs, NERA, BPU staff, the Board (if necessary), and BW/NERA during the CIEP auction?	

Post-Auction Checklist for the New Jersey 2026 BGS-CIEP Auction

	Question	Comments
13	From what BW/NERA could observe, were the protocols followed for decisions regarding changes in CIEP auction parameters (e.g., volume, load cap, bid decrements)?	
14	Were the calculations (e.g., for bid decrements or bidder eligibility) produced by the CIEP auction software double-checked or reproduced off-line by the Auction Manager?	
15	Was there evidence of confusion or misunderstanding on the part of bidders that delayed or impaired the auction?	
16	From what BW/NERA could observe, were the communications between the Auction Manager and bidders timely and effective?	
17	Was there evidence that bidders felt unduly rushed during the process? Should the auction have been conducted more expeditiously?	
18	Were there any complaints from bidders about the process that BW/NERA believed were legitimate?	
19	Was the CIEP auction carried out in an acceptably fair and transparent manner?	
20	Was there evidence of non-productive “gaming” on the part of bidders?	
21	Was there any evidence of collusion or improper coordination among bidders?	
22	Was there any evidence of a breakdown in competition in the CIEP auction?	
23	Was information made public appropriately? From what BW/NERA could observe, was sensitive information treated appropriately?	
24	Does the CIEP auction appear to have generated a result that is consistent with competitive bidding, market-determined prices, and efficient allocation of the BGS-CIEP load?	

ATTACHMENT B
Docket No. ER25040190

Post-Auction Checklist for the New Jersey 2026 BGS-CIEP Auction

Question		Comments
25	Were there factors exogenous to the CIEP auction (e.g., changes in market environment) that materially affected the CIEP auction in unanticipated ways?	
26	Are there any concerns with the CIEP auction's outcome with regard to any specific EDC(s)?	

Attachment C

Agenda Date: 10/22/04
Agenda Item: 2A

STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.bpu.state.nj.us

ENERGY

IN THE MATTER OF THE PROVISION OF BASIC GENERATION SERVICE FOR YEAR THREE OF THE POST-TRANSITION PERIOD – CONFIDENTIALITY ISSUES

DECISION AND ORDER

DOCKET No. EO04040288

(SERVICE LIST ATTACHED)

BY THE BOARD:

This matter concerns the confidentiality of certain information to be utilized during the upcoming Basic Generation Service ("BGS") Auction.

At its October 22, 2004, public agenda meeting the Board approved an auction process for the procurement of BGS supplies for the period beginning June 1, 2005 ("Year Three of the post-Transition Period" or "Year Three"), which process is substantially similar to the process which was utilized for the past three years. In each of those auctions, the Board directed that certain sensitive information and processes would be afforded confidential treatment. At this time, in response to a request by the electric distribution companies ("EDCs") (EDC's Initial Proposal at 10-11), the Board is reaffirming the proprietary and confidential nature of the same procurement information and processes for Year Three bidding as it did in its previous Orders. The following areas are covered by this Order:

(1) **The Logic Processes and Algorithms**: The auction manager, National Economic Research Associates ("NERA"), uses logic processes and algorithms to foster a competitive auction.

(2) **Starting Prices**: EDC - specific minimum and maximum starting prices and final starting prices in effect during the bidding phase of the first round of the auction. Each EDC, in consultation with Staff, NERA and the Board's consultant, Charles River Associates ("CRA") sets its own starting prices. The EDC-specific final starting prices are announced to approved bidders only, shortly before the start of the auction.

(3) **Indicative Offers**: The number of tranches that a qualified bidder is willing to supply at the maximum starting price and the number of tranches a qualified bidder is willing to supply at the minimum starting price. Indicative offers are used to determine

eligibility for participation in the auction and are considered in determining final starting prices.

(4) **Round Prices and Individual Bids**: The price set by NERA for each round of the auction, the number of tranches bid by each qualified bidder during each round of the auction, and any other information submitted by the bidder in each round to fully specify its bid, such as exit prices and switching priorities.

(5) **Bidder Information**: The bidder identities and information supplied to NERA on the application forms to become a bidder in the New Jersey BGS Auction.

DISCUSSION

The Open Public Records Act ("OPRA"), N.J.S.A. 47:1A-1 et seq., which amended the former Right to Know Law concerning the public's access to government records, became effective on July 8, 2002. One of the modifications includes an expansion of the definition of a government record from only those documents required to be made, maintained or kept on file by law, to information received, made, maintained or kept on file by a public agency in the course of its official business, except for advisory, consultative or deliberative material. N.J.S.A. 47:1A-1.1. The statute goes on to list information which shall not be included in the definition of a government record and shall be deemed confidential, including trade secrets, proprietary commercial or financial information, and information which, if disclosed, would give an advantage to competitors or bidders. Id.

OPRA also changed procedures regarding government records by setting forth new format and timing requirements for making and responding to requests for access. As a result, many public agencies proposed new rules and regulations to redesign their record request operations in compliance with OPRA. The proposed new rules of the Board of Public Utilities appeared in the July 1, 2002, New Jersey Register, and were adopted in the July 21, 2003 publication of the New Jersey Register.

As part of the new procedures established concerning the public's access to its records and for claimants asserting confidentiality claims, the Board authorized its custodian of records to determine whether information requested by the public is a government record within the meaning of OPRA or is confidential. N.J.A.C.14:1-12.6. Additionally, the Board reserved its authority to make a confidentiality determination when appropriate:

> Nothing herein shall limit the Board's authority to make a confidentiality determination within the context of a hearing or other proceeding or with regard to any other matter, as the Board may deem appropriate.
>
> [N.J.A.C. 14:1-12.6(d).]

Accordingly, the Board may make confidentiality determinations regarding information gathered in proceedings such as the within matter. In ruling on the Year Three procurement processes, the Board has determined that an auction process similar to the ones approved for the past three years are the most appropriate means for obtaining energy prices consistent with those achieved by a competitive market, as required by N.J.S.A. 48:3-57(d).

Simulating market conditions, however, requires that the auction participants know that their competitive positions will not be compromised. Based on the experience and expertise gained in the previous auctions, as well as the advice of its consultant, the Board recognizes the need to alleviate any doubts about its treatment of competitively sensitive information.

The Board has approved the use of a descending clock auction process for Year Three. The auction process, at its most basic level, includes three groups of contributors. The first group is made up of the four electric distribution companies the purchasers of the BGS supply, who rely on maximum participation by qualified bidders in order to ensure a competitive procurement for its BGS customers. The second group consists of the qualified bidders or BGS suppliers, which proffer the competitive bids to supply tranches[1] of power to the EDCs. In order to become a qualified bidder, BGS suppliers must meet certain general, financial and credit requirements. Qualified bidders are made up of two groups: (a) those that provide direct supply and (b) those that provide supply through market purchases. The third contributor is the Auction Manager, National Economic Research Associates, who administers the auction in consultation with the EDCs, the Board Staff and the Board's consultant, Charles River Associates.

During the course of the auction, the auction manager solicits bids through a series of auction rounds. The first round begins as the BGS suppliers bid the number of tranches they are willing to supply at each EDCs-specific starting prices. Assuming the number of tranches bid are greater than those needed by an EDC, the next auction round proceeds at a lower price. With each new price in the rounds, BGS suppliers may change their bids by modifying the number of tranches they are willing to supply. Rounds in the auction continue until the total number of tranches bid equals the total demand from the EDCs.

The auction process is expected to simulate a competitive market. The object is to allow prices to tick down round by round until the final price is one that approximates a price that could be achieved on an open market. To ensure that the EDCs get a competitive price, the BGS suppliers must bid based on their individual assessments of a fair market value or at least their assessment of individual ability to provide BGS supply at a particular rate. If the bidders knew each other's "market" positions or bid positions, the process would fail to create competition. Similarly, if bidders knew all of the details of the auction process they might also be able to determine their exact position in relation to other bidders and also circumvent the competitive intent of the process.

The Board is charged with overseeing the EDCs acquisition of BGS supply at market value. In order to achieve this goal, the Board FINDS and CONCLUDES that it must provide a certain amount of protection to the information supplied by the participants and to the formulas, algorithms and logic used to develop critical auction particulars. The Board's analysis of the need to treat certain information as competitively sensitive and confidential is set forth below.

I. THE LOGIC PROCESSES AND ALGORITHMS THE AUCTION MANAGER USES TO FOSTER A COMPETITIVE AUCTION

The auction manager will set the parameters for the auction, including the minimum and maximum starting prices. The EDCs must use this price range, as well as their own calculations to set their EDC-specific starting prices. Likewise, the qualified bidders must submit indicative offers using the minimum and maximum starting prices. Though the minimum and maximum starting prices are released publicly prior to the auction, the method used to determine these

[1] A tranche of one product (i.e. a tranche of the BGS load for one EDC) is a full requirements tranche. A tranche for an EDC is a fixed percentage share of the BGS load of that EDC for Year Three of the post-Transition Period beginning June 1, 2004.

prices is confidential information. Revealing this thought process could prejudice the independent evaluation of market prices that qualified bidders would perform. Furthermore, it would impede the competitive nature of the auction. So long as the bidders do not know the rationale behind the auction prices, they must bid based on independent methodologies. As a result, the bidders are more likely to make bids of varying degrees because their valuations will be based on diverse variables.

Just as minimum and maximum starting prices are used to promote competition, volume adjustments during the auction rounds must be used to ensure that the EDCs receive the most competitive bids. The auction manager is given the authority to make two volume adjustments to ensure that the prices not only continue to decrease, but that bidding remains competitive. The auction manager may reduce the auction volume (reduce the number of tranches that the EDCs will purchase) after review of the first round bids. Again, simple market theories apply - if demand is larger than supply, the price remains high. Therefore, the auction rules allow for a volume adjustment after the first round, and once more in a later round. If the guidelines/ algorithms used to make these adjustments were disclosed, the bidders might be able to manipulate the system.

In short, the methodologies used to determine the starting prices, as well as volume adjustments, are integral to the competitive bidding process. Both categories of information fall under an OPRA exception to the definition of a government record because they would provide an advantage to competitors or bidders. As stated above, the Legislature has required the Board to procure energy prices consistent with market conditions. N.J.S.A. 48:3-57(d). The Board is therefore simulating a market scenario through the use of supply and demand theory. Releasing these auction parameters would result in an advantage to all of the bidders, at the expense of higher energy prices for the EDC's customers. Thus, as long as the Board continues to rely on a similar auction process to procure BGS supply, this information continues to require confidential treatment.

The Board HEREBY FINDS and CONCLUDES that this information, if disclosed would provide an advantage to competitors or bidders to the detriment of BGS customers, and shall be deemed confidential and not included as a government record pursuant to OPRA.

Therefore, should a request for this information be made to the Board's custodian, the Board DIRECTS that such information be treated as confidential and that any requests for access be denied.

II. EDC-SPECIFIC STARTING PRICES

There are two types of starting prices used in the auction. First, there are the minimum and maximum starting prices, which are released to potential bidders shortly before the application process to provide a basis for the EDC-specific starting prices and the BGS suppliers' indicative offers. The second type consists of the EDC-specific starting prices that will be in effect for the first round of the auction. These prices must fall somewhere between the minimum and maximum starting prices, and are released to the qualified bidders shortly before the auction. The EDC-specific starting prices are derived from the indicative offers and the value judgments of the EDCs, Board Staff, CRA and Auction Manager regarding the future price of energy.

Both types of starting prices are intended to attract qualified bidders to the auction. The financial community and/or the general public could misinterpret the EDC-specific starting prices if they were to be made public prior to the release of the final auction results.

Rather than having qualified bidders making independent business judgments on the value assigned to a product, their bids could be influenced by outside perception. For example, should the starting prices create lofty expectations regarding energy prices on the part of shareholders or financial analysts, BGS suppliers might not bid as aggressively as necessary to create market conditions. In short, releasing this information prior to the public announcement of the final auction results could put the entire auction process at a competitive disadvantage. While some individual bidders in the auction might not suffer, distorted financial perceptions could lead to a less competitive auction, ultimately disadvantaging the ratepayers through inflated prices.

The Board HEREBY FINDS and CONCLUDES that this information would provide an advantage to competitors or bidders, and shall be deemed confidential and not included as a government record pursuant to OPRA.

Therefore, should a request for this information be made to the Board's custodian, the Board DIRECTS that such information be treated as confidential and that any requests for access be denied until the Board has released the auction results.

III. INDICATIVE OFFERS

Indicative offers are the number of tranches that a qualified bidder is willing to supply at the maximum starting price and at the minimum starting price. The number of tranches the bidder offers to supply at the maximum starting price determines the bidder's initial eligibility for the auction. The indicative offer creates two limitations for the bidder. First, the total number of tranches the BGS supplier can bid in any round of the auction is now capped at its initial eligibility. As such, bidders are encouraged to make an indicative offer for the maximum number of tranches they would be willing to serve. Second, the bidder is now required to post a financial guarantee proportional to its initial eligibility.

Clearly, the indicative offer contains proprietary commercial and financial information. N.J.S.A. 47:1A-1.1. The BGS supplier is making a business judgment regarding the amount of load it is willing to supply. These judgments could be based on many factors. For instance, a direct supplier might indicate a willingness to supply a high number of tranches because it has a limited number of supply contracts compared to its available plant capacity. On the other hand a supplier who buys its energy from the market may only be willing to supply a low number of tranches because it has already entered into a number of contracts at the time of the auction. As stated, the indicative offers also reveal information concerning the amount of credit a BGS supplier may or may not have at hand.

Not only do the indicative offers constitute proprietary commercial and financial information, but their release would provide an advantage to competitors, including those not participating as bidders in the auction. N.J.S.A. 47:1A-1.1. BGS suppliers compete in a market place outside of the auction. If such information were to become public, the BGS suppliers' competitors would be given otherwise confidential information, providing an opportunity to speculate on the individual supplier's market position. If the Board does not keep sensitive market data confidential, it will not be able to simulate an arms-length negotiation. Moreover, release of this proprietary commercial and financial information would have a chilling effect on the BGS suppliers' willingness to participate in this or any future auctions.

Accordingly, the Board HEREBY FINDS and CONCLUDES that this information is proprietary commercial and financial information that would provide an advantage to competitors or bidders, and shall be deemed confidential and not included as a government record pursuant to OPRA.

Therefore, should a request for this information be made to the Board's custodian, the Board DIRECTS that such information be treated as confidential and that any such requests for access be denied for a period of three years from the close of the auction. Three years after the conclusion of the auction, the Board will consider the indicative bids public information, unless prior to the expiration of the three years a party formally requests that this information remain confidential. If a request for continuing confidentiality is made, the information shall remain confidential pending a further decision by the Board.

IV. ROUND PRICES AND INDIVIDUAL BIDS

Each round of the auction produces two sets of information: (a) the price for each round as determined by the auction manager and (b) the individual bids.

For similar reasons to those set forth above in Indicative Offers, the individual bids contain proprietary commercial and financial information. N.J.S.A. 47:1A-1.1. Furthermore, release of either the round-by-round price or the number of tranches individually bid in a round would allow the bidders to mathematically work backwards and determine the incremental algorithm used by the auction manager to make volume adjustments during the course of the auction. As explained in Section I, supra, revealing this methodology could impede the current and any future competitive process to the detriment of customers.

Accordingly, the Board FINDS and CONCLUDES that this information could provide an anti-competitive advantage to competitors or bidders, and shall be deemed confidential and not considered a government record pursuant to OPRA.

Therefore, should a request for the round-by-round prices be made to the Board's custodian, the Board DIRECTS that such information be treated as confidential and that any requests for access be denied.

Should a request for the individual bids be made to the Board's custodian, the Board DIRECTS that such information be treated as confidential and that any such requests be denied for a period of three years from the close of the auction. Three years after the conclusion of the auction, the Board will consider the individual bids public information, unless prior to the expiration of the three years a party has formally requested that this information remain confidential. If a request for continuing confidentiality is made, the information shall remain confidential pending a further decision by the Board.

V. BIDDER INFORMATION

While the upcoming auction will be held in February 2005, the period of power supply being procured will not begin to flow until June 1, 2005. For all past auctions, the list of bidders obtaining contracts was announced with the Board Order approving the auction results. Approximately one month before the load was to be served, when suppliers had presumably locked up their contracts, the list of bidders with BGS contracts along with the volumes and prices for each contract were released. The reason for the delayed release of this information was to ensure that the bidders were not placed at a competitive disadvantage. As stated above, there are two types of BGS suppliers - those who supply directly from their own plants and those that purchase power from the market for resale. Power marketers must go to the market and fulfill the BGS requirements they have won by negotiating contracts. If their competitors knew the volumes that the bidder had already contracted to supply as a result of the auction, the successful bidder might be at a competitive disadvantage. The same can be said for direct suppliers who must market their product. If buyers knew the amount of their plant supply already locked up due to the BGS auction, it could put them at a competitive disadvantage for negotiation of other contracts.

The Board also believes that if it were to release the names of all of the auction participants, those suppliers that participated in the auction but failed to obtain a contract could be prejudiced in the private sector energy market. Specifically, the financial community might interpret loss of the contracts as a sign of weakened financial position. Furthermore, releasing the names of everyone who participated but failed to leave the auction with a contract, could lead to speculation by the financial community that might have a chilling effect on the BGS suppliers' willingness to participate in this or any future auctions. As such, the Board could be damaging the competitive nature of its own auction by making the financial risk of participation unpalatable to participants. The ultimate result would be higher energy prices passed on to consumers.

Based on its experience with the past three BGS auctions and the expert recommendations of the Board's consultant, CRA, the Board believes that releasing the winning bidders' volume and price information before contracts for the supply period are locked up, could put those suppliers participating in the auction at a disadvantage in the greater energy market, making such information an exemption to the definition of a government record. N.J.S.A. 47:1A-1.1. Additionally, releasing the list of unsuccessful participants could impair the competitive nature of the auction by making the financial risk of participation unpalatable to participants and resulting in higher energy prices for consumers therefore making such information an exemption to the definition of a government record. N.J.S.A. 47:1A-1.1.

The Board HEREBY FINDS and CONCLUDES that this information is proprietary commercial and financial information that could provide an advantage to competitors or bidders, and that such information shall be deemed confidential and not included as a government record pursuant to OPRA.

Therefore, should a request for the names of winning bidders be made to the Board's custodian, the Board DIRECTS that such information be treated as confidential and all requests for access be denied, until May 1, 2005.

Should a request for the names of unsuccessful participants be made to the Board's custodian, the Board DIRECTS that such information be treated as confidential and that all requests for access be denied.

Once the Board has determined that the winning auction suppliers have had sufficient time to lock in their BGS supply for the designated period of time, information such as volume and the identities of the successful participants may be released. In the past, this information has been released approximately a month before the beginning of the supply period. Identification information would also include all of the public information supplied to NERA on the application forms to become a qualified bidder in the New Jersey Basic Generation Service Auction. For example, information such as name, authorized representative, authorized legal representative, name of the entities' directors are of a public nature and must be disclosed as a government record. On the other hand, both the Part 1 and Part 2 Application Forms contain confidential business information of bidders that is not available publicly. The following information from the applications is non-public proprietary commercial or financial information, which is not considered a government record pursuant to OPRA. N.J.S.A. 47:1A-1.1.

Part 1 Application Form:

Bidding Agreements

Financial and Credit Requirements, except for the supplemental data which includes the following public information:
(i) Two most recent annual Reports
(ii) Most recent SEC From 10-K;
(iii) Applicant's senior unsecured debt rating from Moody's, Standard & Poor's, and Fitch, if unavailable, the issuer rating may be provided instead.

Guarantor's Information

Justification for Omissions

Part 2 Application Form:

Qualified Bidder's Indicative Offer and Calculation of Required Bid Bond

Qualified Bidder's Preliminary Maximum Interest in Each EDC

Additional Financial and Credit Requirements

Bidder Certifications Concerning Associations and Confidential Information

Justification for Omissions

If the information above were to become public as a result of participation in the BGS Auction, some bidders might elect not to participate in order to maintain the confidentiality of their proprietary commercial and financial information. This could impair the ability of the Auction to obtain a market price and could be detrimental to the interests of the EDCs' customers.

The Board HEREBY FINDS and CONCLUDES that the information listed above is proprietary commercial and financial information, and shall be deemed confidential and not included as a government record pursuant to OPRA.

Therefore, should a request for the public bidder information provided to NERA concerning successful bidders be made to the Board's custodian, the Board DIRECTS that such information be treated as confidential and that all requests for access be denied, until such time as the Board releases the final names and volumes for successful bidders.

Should a request for the public bidder information provided to NERA concerning non-successful bidders be made to the Board's custodian, the Board DIRECTS that such information be treated as confidential and that all requests for access be denied, since such information would identify the non-successful bidders.

Should a request for the non-public bidder information provided to NERA be made to the Board's custodian, the Board DIRECTS that such information be treated as confidential and that all requests for access be denied.

Attachment C

At its October 22, 2004, public agenda meeting the Board approved a descending clock Auction to procure needed BGS supplies for Year Three as well as for Year Four (supply period beginning June 1, 2006). It is anticipated that, should a request for confidentiality be made, similar reasoning to that described above would apply.

DATED: 12/1/04

BOARD OF PUBLIC UTILITIES
BY:

Jeanne M. Fox

JEANNE M. FOX
PRESIDENT

Frederick F. Butler

FREDERICK F. BUTLER
COMMISSIONER

Connie O. Hughes

CONNIE O. HUGHES
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ATTEST:

Kristi Izzo

KRISTI IZZO
SECRETARY