

**NOTICE TO  
ROCKLAND ELECTRIC COMPANY CUSTOMERS**

**Notice of Filing and Public Hearings for Basic Generation Service Charges  
Procured by RECO on behalf of its Basic Generation Service Customers**

**and**

**Notice of Proposed Recovery through its Basic Generation Service Charges of  
Costs Resulting from Statewide Auction for Basic Generation Service  
Docket No. ER20030190**

**PLEASE TAKE NOTICE** that, on July 1, 2020, Rockland Electric Company (“RECO”) filed a Proposal for Basic Generation Service Requirements to be Procured Effective June 1, 2021 (“Filing”) with the New Jersey Board of Public Utilities (“Board”), Docket Number ER20030190, requesting that the Board approve the procurement of Basic Generation Service (“BGS”) through a statewide competitive auction process with new BGS charges to become effective June 1, 2021. BGS is provided to all RECO customers who do not procure their electric supply requirements from a third party supplier. The Company’s Filing is available at: <http://www.bgs-auction.com/bgs.auction.regproc.asp>.

The Board mandates that all New Jersey Electric Distribution Companies (“EDCs”), including RECO, provide BGS in accordance with the requirements of the Electric Discount and Energy Competition Act (“Act”). BGS is currently procured through a statewide competitive auction process in which all of the EDCs seek offers for BGS supply from electric generation suppliers. In this auction process, electric generation suppliers bid in a descending-clock auction on specified portions of the electric requirements for BGS customers for each of the EDCs. Since 2001, the Board has approved this type of auction and has found that this auction process meets the statutory requirements of the Act.

The final price resulting from the auction conducted in 2020 to procure BGS supply for RECO customers eligible to receive BGS at fixed prices (“BGS-RSCP”) was 8.242 cents per kWh for a 36 month supply period. For RECO’s commercial and industrial customers eligible to receive hourly priced BGS (“BGS-CIEP”), the price resulting from the auction conducted in 2020 to procure BGS-CIEP supply was \$383.31 per MW-day.

RECO’s Central and Western Divisions operate in a non-PJM Interconnection area. Therefore, RECO’s BGS rates include an energy and capacity price for the Central and Western Divisions which is blended with the BGS auction price to obtain RECO’s BGS rates. In its Filing, RECO proposes a competitive bid process to secure an energy price and proposes to use an estimate of future capacity prices, in order to develop the Central and Western portion of RECO’s BGS rates.

The prices for the BGS supply procured in the 2021 BGS-RSCP and BGS-CIEP auctions may be higher than or lower than the prices obtained in the 2020 auctions. The current BGS rates also include transmission charges set by the Federal Energy Regulation Commission (“FERC”). In the Petition pending before the Board, the EDCs propose that BGS energy rates for the upcoming BGS auction exclude applicable transmission charges set by the FERC. RECO has requested that the EDCs be permitted to procure transmission on behalf of the BGS customers going forward instead of the BGS

Supplier, and that transmission charges will be broken out as a separate component of total BGS-RSCP supply rates. BGS-RSCP and BGS-CIEP rates may change to reflect any increases or decreases in these FERC-approved transmission charges and capacity costs. If the Board approves the EDCs' request to exclude transmission costs from BGS, the 2021 prices will appear lower because transmission will not be included in the 2021 auction prices.

Customer classes eligible to be served under the BGS-RSCP rate include customers served under RECO's Service Classification Nos. 1, 3, 4, 5 and 6, and Service Classification No. 2 customers with a peak load share less than 500 kW. RECO customers served under Service Classification No. 7 and Service Classification No. 2 customers with a peak load share of 500 kW or greater are eligible to be served under the BGS-CIEP rate. These criteria for BGS-CIEP service are subject to change at the discretion of the Board.

**PLEASE TAKE FURTHER NOTICE** that due to the COVID-19 pandemic, a telephonic public hearing will be conducted on the following day and time so that members of the public may present their views. The hearing will continue until all public witnesses are heard.

Date: September 22, 2020  
Time: 4:30 PM  
Telephone number: 1-877-658-7506  
Passcode: 944 009 9452

Representatives from the Company, Board Staff, and the Division of Rate Counsel will participate in the telephonic public hearing. Members of the public are invited to participate by utilizing the Telephone number and Passcode information set forth above, and may express their views on this filing. Such comments will be made part of the final record and will be considered by the Board in rendering its decision. The Board is also accepting written and emailed comments. Although both will be given equal consideration, the preferred method of transmittal is via email to ensure timely receipt while the Board continues to work remotely due to the COVID-19 pandemic. Written comments may be submitted to the Board Secretary, Aida Camacho, at the Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, P.O. Box 350, Trenton, NJ 08625-0350. Email comments should be submitted to: [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov) Please include the name of the petition and the docket number when submitting comments. Written and emailed comments will be provided the same weight as statements made at the hearings. Hearings will continue, if necessary, on such additional dates and at such locations as the Board may designate, to ensure that all interested persons are heard.

**PLEASE TAKE FURTHER NOTICE** that the Board will conduct an additional legislative-type hearing on September 11, 2020, beginning at 10:00 AM, regarding the BGS proposals. It is anticipated that the Board will rule on the EDCs' BGS proposal shortly thereafter. The Board's Agenda Meeting schedules can be found at [nj.gov/bpu](http://nj.gov/bpu).

**ROCKLAND ELECTRIC COMPANY**