

# NOTICE TO PUBLIC SERVICE ELECTRIC AND GAS COMPANY ELECTRIC CUSTOMERS

## Notice of Filing and Public Hearings for Basic Generation Service (BGS) Charges Procured by PSE&G on Behalf of its BGS Customers and Notice of Proposed Recovery Through its BGS Charges of Costs Resulting From Statewide Auction for BGS

BPU Docket No. ER22030127

**PLEASE TAKE NOTICE** that on July 1, 2022, Public Service Electric and Gas Company (“PSE&G” or “Company”) filed a proposal [Annual Proposal for Basic Generation Service (“BGS”) Requirements to be Procured Effective June 1, 2023] with the New Jersey Board of Public Utilities (“Board” or “BPU”) requesting that the Board approve the procurement of BGS through a statewide competitive auction process with new BGS charges to become effective June 1, 2023 (“Petition”). BGS is the electric generation supply provided to all PSE&G customers who do not purchase their electricity from a third-party supplier.

The Board mandates that the New Jersey Electric Distribution Companies (“EDCs”), including PSE&G, provide BGS in accordance with the requirements of the Electric Discount and Energy Competition Act (“the Act”). BGS is currently procured through a statewide competitive auction process in which all of the EDCs seek competitive 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 found that this process meets the statutory requirements of the Act. The Company’s Petition is available at <https://www.bgs-auction.com/bgs.auction.regproc.asp>.

The final price for Basic Generation Service – Residential Small Commercial Pricing (“BGS-RSCP”) supply resulting from the BGS-RSCP auction conducted in 2022 was \$0.076300 per kilowatt-hour, for a 36-month supply period. For the Basic Generation Service – Commercial and Industrial Energy Pricing (“BGS-CIEP”) auction conducted in 2022, the Generation Capacity Charge cleared at \$276.26 per MW-day.

The final auction clearing prices for the BGS supply procured in the 2023 BGS-RSCP and BGS-CIEP auctions may be higher or lower than the prices obtained in the 2022 auctions. Auction prices are converted to customer charges, which may be higher or lower than current charges, depending on the outcome of the auction consistent with market conditions. BGS rates also include applicable transmission charges set by the Federal Energy Regulatory Commission (“FERC”). BGS-RSCP and BGS-CIEP rates may change to reflect any increases or decreases in these FERC-approved transmission charges.

Under the Petition, the criteria for BGS-CIEP eligibility would be set at a peak load share of 500 kW. Customer classes eligible to be served under the BGS-RSCP rate would include customers served under PSE&G’s distribution Rate Schedules RS, RHS, RLM, WH, WHS, HS, BPL, BPL-POF, PSAL, GLP and LPL-Secondary with a peak load share of less than 500 kW. Customers served on Rate Schedules HS, GLP and LPL-Secondary may elect to be served at BGS-CIEP as their default supply option. Additionally, PSE&G customers served under distribution Rate Schedules LPL-Primary, HTS-Subtransmission, HTS-Transmission, HTS-High Voltage, and those LPL-Secondary customers with a peak load share of 500 kW or greater are only eligible to be served under BGS-CIEP. These criteria for BGS-CIEP service are subject to change for this year’s procurement at the discretion of the Board.

**PLEASE TAKE FURTHER NOTICE** that due to the COVID-19 pandemic, a virtual public hearing has been scheduled on the following date and time so that members of the public may present their views on the Petition.

### \*\*NOTE NEW DATE AND DIAL-IN INFORMATION

#### VIRTUAL PUBLIC HEARING

**Date:** October 4, 2022

**Time:** 4:30 pm

**Dial In:** Join Zoom Meeting

(<https://pseg.zoom.us/j/93096212451>)

**Dial In:** (888) 475-4499

**Meeting ID:** 930 9621 2451

Representatives of the Company, Board’s Staff and the New Jersey Division of Rate Counsel will participate in the virtual public hearings. Members of the public are invited to participate by utilizing the link or dial-in information set forth above and may express their views on this filing. All comments will be made part of the final record of the proceeding to be considered by the Board. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, such as interpreters and/or listening assistance, 48 hours prior to the above hearings to the Board Secretary at [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov).

The Board is also accepting written and/or electronic comments. While all comments will be given equal consideration and will be made part of the final record of this proceeding, the preferred method of transmittal is via the Board’s Public Document Search tool (<https://publicaccess.bpu.state.nj.us>). Search for the docket number listed above, and post by utilizing the “Post Comments” button. Emailed comments may also be filed with the Secretary of the Board, in pdf or Word format, to [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov).

Written comments may be submitted to the Acting Board Secretary, Carmen D. Diaz, at the Board of Public Utilities, 44 South Clinton Avenue, 1st Floor, P.O. Box 350, Trenton, New Jersey 08625-0350. All emailed or mailed comments should include the name of the Petition and the docket number.

All comments are considered “public documents” for purposes of the State’s Open Public Records Act. Commenters may identify information that they seek to keep confidential by submitting them in accordance with the confidentiality procedures set forth in N.J.A.C. 14:1-12.3.

**PLEASE TAKE FURTHER NOTICE** that the Board will conduct an additional legislative-type hearing on September 15, 2022, 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).



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