



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

ENERGY

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

Parties of Record:

Joshua Eckert, Esq., Attorney for Jersey Central Power and Light Company
Joseph A. Shea Jr., Esq., Attorney for Public Service Electric and Gas Company
Philip J. Passanante, Esq., Associate General Counsel for Atlantic City Electric Company
Margaret Comes, Esq., Associate Counsel for Rockland Electric Company
Chantale LaCasse, BGS Auction Manager, NERA Economic Consulting
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

This Order memorializes actions taken by the New Jersey Board of Public Utilities (“Board” or “BPU”) at its January 27, 2021 agenda meeting pertaining to Rockland Electric Company’s (“RECO” or “Company”) Request For Proposal (“RFP”) to procure electric supply and capacity for its Central and Western customers beginning June 1, 2021.

By Order dated March 27, 2020 in this matter, the Board directed the electric distribution companies (“EDCs”), as well as all other interested parties, to file proposals by July 1, 2020 to determine how to procure the remaining one-third of the State’s BGS requirements for residential and small commercial customers (“RSCP”), and the annual Commercial and Industrial Energy Pricing (“CIEP”) requirements for the period beginning June 1, 2021.¹ BGS filings were received from the EDCs via a joint BGS filing on July 1, 2020.

RECO REQUEST FOR PROPOSAL

RECO’s Central and Western Divisions are physically connected to the New York Independent System Operator (“NYISO”). Therefore, RECO must purchase the energy and capacity it requires for its Central and Western BGS customers from markets administered by the NYISO.

¹ The EDCs are Atlantic City Electric Company, Jersey Central Power and Light Company, Public Service Electric and Gas Company and RECO.

As part of its Company Specific Addendum in this matter, RECO proposed to enter into a bi-lateral agreement(s) to hedge the cost of energy purchases from the NYISO for the BGS year commencing June 1, 2021. RECO proposed to conduct the bidding approximately two (2) weeks before the BGS auction.

According to the proposal, RECO would seek bids on financial transactions for NYISO ZONE G energy for the periods specified below. For the energy transactions, RECO proposed to procure agreements to cover the period of June 1, 2021 through May 31, 2024 and will seek pricing for the following four (4) periods:

1. Year 1: June 1, 2021 through May 31, 2022
2. Year 2: June 1, 2022 through May 31, 2023
3. Year 3: June 1, 2023 through May 31, 2024
4. Blended price: June 1, 2021 through May 31, 2024

RECO proposed to review the bids received with Board Staff and its BGS auction consultant and select a winning bid that is most competitive and that is consistent with market conditions. RECO proposed to submit the winning bid(s) to the Board for approval. In the event that the bids that RECO received did not reflect market conditions, the Board does not approve the winning bidder, or the bidder defaults on the bid agreement, RECO would report a failed procurement and would proceed to a default procurement process. Under the default process as proposed by RECO, the Company will purchase the energy needs of its BGS customers in the Central and Western Divisions in the NYISO Day-Ahead and Real Time Markets without a financial hedge.

By Order dated November 18, 2020, the Board approved RECO's RFP proposal.

RECO RFP SUMMARY

On January 26, 2021, RECO conducted its RFP process to acquire the energy transactions to satisfy part of the supply requirements for its non-PJM service areas within New Jersey for the period of June 1, 2021 through May 31, 2024. The RFP results are as follows:

<u>Period</u>	<u>Product</u>	<u>Winning Bidder</u>	<u>Price</u>
June 1, 2021 through May 31 2024	Fixed for Floating Energy Swap	Exelon Generation Company, LLC	\$32.39/MWh

The results of this RFP will be blended with the results from RECO's BGS-RSCP Auction so that all Rockland customers in each rate class pay the same BGS prices.

RECO RFP OVERSIGHT, FINDINGS AND CONCLUSIONS

Bates White provided the Board with a confidential post-Auction evaluation form for the RECO RFP, as well as a supplemental checklist reviewing how the RFP was conducted. The independent analyses conducted by Bates White indicate that the RFP process proceeded without meaningful interruption, and in an acceptably fair and transparent manner. Bates White recommends that the Board certify the RFP results. Staff assigned to oversee the auctions also

briefed the Board on the conduct and results of the RFP prior to the January 27, 2021 meeting where the Board accepted the results of the RFP.

After reviewing the RFP results and the recommendations of Staff and Bates White, the Board **HEREBY CONFIRMS** that:

- bidders had sufficient information to prepare for the RFP process;
- information was generally provided to bidders in accordance with the published timetable, and the timetable was adjusted appropriately as needed;
- there were no issues or questions left unresolved prior to the RFP process that created material uncertainty for bidders;
- from what could be observed, there were no procedural problems or errors with the process, including the electronic bidding process, the back-up bidding process, and communications between bidders and the auction manager;
- from what could be observed, communication protocols between bidders and the auction manager were adhered to;
- appropriate data back-up procedures were planned and carried out;
- no security breaches were observed during the process;
- from what could be observed, communication protocols were followed during the process;
- the process was carried out in an acceptably fair and transparent manner;
- there was no evidence of gaming on the part of bidders;
- there was no evidence of collusion among bidders;
- there were no factors exogenous to the process (e.g. changes in market environment that materially affected it in unanticipated ways); and
- the RFP process appears to have generated a result that is consistent with competitive bidding, market-determined prices, and efficient allocation of RECO's non-PJM load

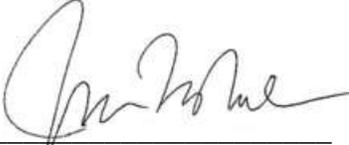
DISCUSSION AND FINDINGS

Based on the foregoing, the Board **HEREBY CERTIFIES** the final results of the RECO RFP in its entirety, and **APPROVES** the winning bid price for the Company's non-PJM BGS load which will be rolled into the final BGS-RSCP Auction prices approved by the Board at a later date. The Board **HEREBY DIRECTS** RECO to execute the necessary documents with the winning bidder.

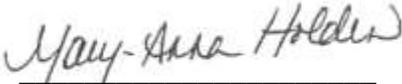
The effective date of this Board Order is January 27, 2021.

DATED: January 27, 2021

BOARD OF PUBLIC UTILITIES
BY:



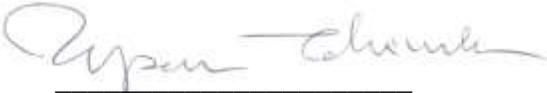
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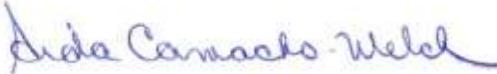


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COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

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