



Agenda Date: 2/9/22
Agenda Item: 2A

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PROVISION OF BASIC) ORDER
GENERATION SERVICE (BGS) FOR THE PERIOD)
BEGINNING JUNE 1, 2022) DOCKET NO. ER21030631

Parties of Record:

Joshua Eckert, Esq., on behalf of Jersey Central Power & Light Company
Matthew Weissman, Esq., on behalf of Public Service Electric and Gas Company
Philip J. Passanante, Esq., Associate General Counsel for Atlantic City Electric Company
Margaret Comes, Esq., Senior Attorney for Rockland Electric Company
Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

By Order dated November 17, 2021 in this docket, the New Jersey Board of Public Utilities (“Board”) approved the joint Basic Generation Service (“BGS”) proposal of Public Service Electric and Gas Company (“PSE&G”), Jersey Central Power & Light Company (“JCP&L”), Atlantic City Electric Company (“ACE”), and Rockland Electric Company (“Rockland”) (collectively, “EDCs”), for two (2) descending clock auctions to secure the EDCs’ BGS electricity requirements for the period beginning June 1, 2022.¹ In an attempt to mitigate the risk to ratepayers, the Board directed the EDCs to procure approximately one-third of the EDCs’ BGS residential and small commercial pricing (“BGS-RSCP”) customers load for a 36-month period through a single clearing price for each EDC’s BGS supply requirements in the auction.² The Board also found that a 12-month procurement period for the EDCs’ hourly load BGS commercial and industrial energy pricing (“BGS-CIEP”) customers is appropriate and reasonable. In the November 2021 Order, the Board also committed to review the results of the BGS-RSCP Auction and the BGS-CIEP Auction (collectively, “BGS Auctions” or “Auctions”), respectively, in their entirety, and certify the results of each auction for all of the EDCs, or for none of them, no later than the second business day after the last Auction closes.

¹ In re the Provision of Basic Generation Service (BGS) For the Period Beginning June 1, 2022, BPU Docket No. ER21030361, Order dated November 17, 2021 (“November 2021 Order”).

² Approximately two-thirds of the EDCs’ BGS-RSCP requirements are already under contract through May 31, 2023, and one-third through May 31, 2024 as a result of the 2020 and 2021 BGS-RSCP Auctions.

The results of the BGS Auctions, if approved by the Board, would then be converted into revised BGS rates for customers beginning June 1, 2022. This is the 21st year the Board has authorized a similar process to secure BGS supply.

The Auction Manager responsible for conducting the 2022 BGS Auctions is National Economic Research Associates (“NERA”). NERA brings expertise in conducting simultaneous descending clock auctions in the energy and telecommunications industries, and was the Auction Manager for the prior 20 BGS Auctions. The 2022 Auctions were conducted remotely and continuously monitored by the Board’s Division of Energy staff members (“Staff”), as well as by the Board’s consultant, Bates White, LLC (“Bates White”) who was retained to assist the Board in this process. Bates White has experience with simultaneous descending clock auctions and the energy industry.

BGS-RSCP AUCTION SUMMARY

The BGS-RSCP Auction was conducted on February 7, 2022 and ended after 18 rounds with all of the EDCs’ 54 tranches secured, with the following closing prices for each EDC³:

EDC	Closing Price (cents/kWh)	Total Tranches Sold
ACE	7.557	7
JCP&L	7.750	18
PSE&G	7.630	28
Rockland	8.206	1

A list of the BGS-RSCP Auction winners is included in Attachment A to this Order.

BGS-CIEP AUCTION SUMMARY

The BGS-CIEP Auction was conducted on February 4, 2022 and ended after 28 rounds with all of the EDCs’ 37 tranches secured, with the following closing prices for each EDC⁴:

EDC	Closing Price (\$/Mw-day)	Total Tranches Sold
ACE	284.85	4
JCP&L	254.80	10
PSE&G	276.26	22
Rockland	260.48	1

A list of the BGS-CIEP Auction winners is included in Attachment A to this Order.

³ A tranche in the BGS-RSCP Auction is approximately 90 to 93 MW each.

⁴ The tranche sizes are approximate amounts of BGS-CIEP eligible load and are as follows: ACE- 74.40 MW, JCP&L- 73.94 MW, PSE&G- 76.49 MW and RECO- 45.22 MW.

BGS AUCTION OVERSIGHT

NERA provided a confidential post-Auction checklist form evaluating how the BGS Auctions were conducted. NERA's analysis supporting acceptance of the Auction results indicates, in part, that:

- no issues or questions were left unresolved prior to the Auctions that created uncertainty for bidders;
- neither procedural problems nor errors were observed during the Auctions;
- all communication protocols were followed;
- neither hardware, software, nor communication system problems with the Auctions were observed;
- no security breaches were observed during the Auction process;
- all guidelines for setting or changing the Auction parameters were followed;
- there was no evidence of confusion or misunderstanding on the part of bidders that delayed or impaired the Auctions in a material manner;
- communications between the Auction Manager and bidders was timely and effective;
- there was no evidence that bidders were rushed;
- no complaints were received from the bidders;
- the Auctions were carried out in a fair and transparent manner;
- there was no evidence of collusion or gaming by the bidders;
- public and sensitive information was treated appropriately;
- there were no factors exogenous to the Auctions that materially affected the Auctions;
- and
- the Auctions generated a result that is consistent with competitive bidding, market-determined prices, and efficient allocation of the BGS-RSCP and BGS-CIEP loads.

Bates White also provided the Board with a confidential post-Auction evaluation form, as well as a supplemental checklist reviewing how the Auctions were conducted. Bates White's analysis is consistent with NERA's analysis. Both consultants recommend that the Board accept the final Auction results.

FINDINGS AND CONCLUSIONS

The independent NERA and Bates White analyses both conclude that the Auctions proceeded without meaningful interruption, according to the Board-approved Auction Rules, and in an acceptably fair and transparent manner. As such, both NERA and Bates White recommend that the Board certify the Auction results. Staff overseeing the Auctions briefed the Board regarding the procedure and results of each Auction.

After reviewing the checklists and evaluation forms from NERA and Bates White, discussing the results and conduct of the Auctions with Staff, NERA and Bates White, and from what could be observed during the Auctions, the Board **HEREBY FINDS** that:

- all bidders had sufficient information to prepare for the Auctions;
- information was generally provided to bidders in accordance with the published timetable, and the timetable was adjusted appropriately as needed;
- there were no Auction issues or questions left unresolved prior to the Auctions that created material uncertainty for bidders;

- there were neither procedural problems nor errors with the Auctions, including the electronic bidding process, the back-up bidding process, and communications between bidders and the Auction Manager;
- 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 Auction process;
- communication protocols among the EDCs, NERA, Staff, the Board, and Bates White were followed during the Auctions;
- protocols were followed for decisions regarding changes in the Auction parameters (e.g. volume, load cap, bid decrements);
- the calculations (e.g. for bid decrements or bidder eligibility) produced by the Auction software were double-checked or reproduced off-line by the Auction Manager;
- there was no evidence of confusion or misunderstanding on the part of bidders that delayed or impaired the Auctions;
- the communications between the Auction Manager and bidders was timely and effective;
- there were no complaints received from the bidders about the process;
- the Auctions were 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;
- information was made public in an appropriate manner and, from what could be observed, sensitive information was treated appropriately;
- 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;
- there are no concerns with the Auctions' outcome with regard to any specific EDC(s); and
- the Auctions generated a result that is consistent with competitive bidding, market-determined prices, and efficient allocation of the BGS-RSCP and BGS-CIEP loads.

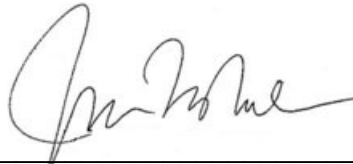
Based upon the foregoing, the Board **HEREBY CERTIFIES** the final results of the BGS Auctions in their entirety, and **HEREBY APPROVES** the closing prices for each EDC. Furthermore, the Board **HEREBY ORDERS** the EDCs to: 1) execute the necessary documents with the winning bidders, including the BGS Supplier Master Agreements; 2) implement the BGS rates resulting from the Auctions beginning June 1, 2022; and 3) file tariff sheets reflecting those rates by March 25, 2022.

Consistent with past Board practice, the Board is releasing the names of the winning bidders at this time. However, at this time, the Board will not release the specific tranche and service area details for each successful bidder, so as not to compromise the position of the winning bidders in the marketplace. The Board plans to make this additional information public prior to June 1, 2022.

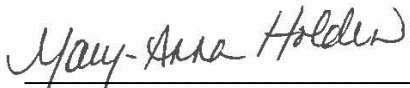
The effective date of this Board Order is February 9, 2022.

DATED: February 9, 2022

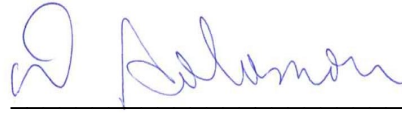
BOARD OF PUBLIC UTILITIES
BY:



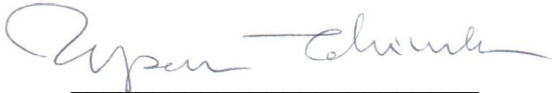
JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER

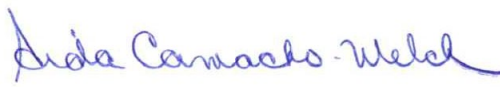


UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

ATTACHMENT A

In the Matter Provision of Basic Generation Service for the Period Beginning June 1, 2022

Docket No. ER21030631

Auction Winners Approved by the Board of Public Utilities on February 9, 2022

BGS-RSCP Auction Winners

Axpo U.S. LLC
Calpine Energy Services LP
ConocoPhillips Company
Constellation Energy Generation, LLC
DTE Energy Trading, Inc.
Dynegy Marketing and Trade, LLC
Hartree Partners, L.P.
Macquarie Energy, LLC
NextEra Energy Marketing, LLC
TransAlta Energy Marketing (U.S.) Inc.

BGS-CIEP Auction Winners

ConocoPhillips Company
Constellation Energy Generation, LLC
DTE Energy Trading, Inc.
NextEra Energy Marketing, LLC
TransAlta Energy Marketing (U.S.) Inc.

IN THE MATTER OF THE PROVISION OF BASIC GENERATION SERVICE (BGS) FOR THE PERIOD BEGINNING
JUNE 1, 2022

DOCKET NO. ER21030631

Service List

BPU

44 South Clinton Ave., 1st Floor
Post Office Box 350
Trenton, NJ 08625-0350

Aida Camacho-Welch, Secretary
board.secretary@bpu.nj.gov

Robert Brabston, Esq.
Executive Director
robert.brabston@bpu.nj.gov

Stacy Peterson
Deputy Executive Director
stacy.peterson@bpu.nj.gov

Paul Lupo, Acting Director
paul.lupo@bpu.nj.gov

Ryan Moran
ryan.moran@bpu.nj.gov

Heather Weisband, Senior Counsel
heather.weisband@bpu.nj.gov

Division of Law

25 Market Street
Post Office Box 112
Trenton, NJ 08625-0112

Pamela Owen, Esq.
pamela.owen@law.njoag.gov

Michael Beck, DAG
michael.beck@law.njoag.gov

Daren Eppley, DAG
daren.eppley@law.njoag.gov

BPU's BGS CONSULTANTS

Frank Mossburg, Managing Director
Bates White, LLC
2001 K Street, NW
North Building, Suite 500
Washington DC, 20006
frank.mossburg@bateswhite.com

DIVISION OF RATE COUNSEL

140 East Front Street, 4th Floor
Post Office Box 003
Trenton, New Jersey 08625

Brian Lipman, Esq., Acting Director
blipman@rpa.nj.gov

David Wand, Esq., Managing Attorney
dwand@rpa.nj.gov

Debra Layugan, Paralegal
dlayugan@rpa.nj.gov

Rate Counsel Consultant

Max Chang
Synapse Energy Economics, Inc.
485 Massachusetts Ave., Suite 2
Cambridge, MA 02139
mchang@synapse-energy.com

PSE&G

Terrance J. Moran
80 Park Plaza, T-13
Newark, NJ 07102-4194
terrance.moran@pseg.com

Matthew M. Weissman, Esq.
80 Park Plaza, T-5
Newark, NJ 07102-4194
matthew.weissman@pseg.com

Myron Filewicz, BGS Manager
80 Park Plaza, T-5
myron.filewicz@pseg.com

ACE

Pepco Holdings, LLC – 92DC56
500 N. Wakefield Drive
PO Box 6066
Newark, DE 19714-6066

Susan DeVito
susan.devito@pepcoholdings.com

Philip J. Passanante, Esq.
philip.passanante@pepcoholdings.com

Thomas M. Hahn
Pepco Holdings, LLC-63ML38
5100 Harding Highway
Mays Landing, NJ 08330
thomas.hahn@pepcoholdings.com

Daniel A. Tudor
Pepco Holdings, Inc.
701 Ninth Street NW
Washington, DC 20001
datudor@pepco.com

JCP&L

300 Madison Avenue
Morristown, NJ 07962-1911

Jennifer Spricigo
jspricigo@firstenergycorp.com

Yongmei Peng
ypeng@firstenergycorp.com

Joshua Eckert, Esq.
jeckert@firstenergycorp.com

ROCKLAND

4 Irving Place
New York, NY 10003

John L. Carley, Esq.
carleyj@coned.com

William A. Atzl, Jr.
atzlw@coned.com

Margaret Comes, Esq.,
comesm@coned.com

DOCKET NO. ER21030631

Service List

NERA

1255 23rd Street NW, Suite 600
Washington, DC 20037

Chantale LaCasse
chantale.lacasse@nera.com

Rachel Northcutt
rachel.northcutt@nera.com

NERA Economic Consulting
777 S. Figueroa, Suite 1950
Los Angeles, CA 90017

Kathleen Orlandi
kathleen.orlandi@nera.com

Paul Cardona
paul.cardona@nera.com

Third Party Suppliers

Murray E. Bevan, Esq.
Bevan, Mosca, Giuditta & Zarillo, P.C.
222 Mount Airy Road, Suite 200
Basking Ridge, NJ 07920
mbevan@bmgzlaw.com

Marc A. Hanks
Senior Manager, Government &
Regulatory Affairs
Direct Energy Services, LLC
Marc.Hanks@directenergy.com

Stacey Rantala
National Energy Marketers Association
3333 K Street, N.W., Suite 110
Washington, D.C. 20007
srantala@energymarketers.com

David B. Applebaum
Director, Regulatory Affairs
NextEra Energy Resources, LLC
21 Pardee Place
Ewing, New Jersey 08628
david.applebaum@nexteraenergy.com

David Gil
Manager, Regulatory Affairs
NextEra Energy Resources, LLC
700 Universe Boulevard
Juno Beach, Florida 33408
david.gil@nexteraenergy.com

Kathleen Maher
Constellation NewEnergy
810 Seventh Avenue, Suite 400
New York, NY 10019-5818
kathleen.maher@constellation.com

NJLEUC

Paul F. Forshay, Partner
Eversheds-Sutherland, LLP
700 Sixth Street, NW, Suite 700
Washington, D.C. 20001-3980
paul.forshay@eversheds-sutherland.com

Steven S. Goldenberg, Esq.
Giordano, Halleran & Ciesla, P.A.
125 Half Mile Road, Suite 300
Red Bank, NJ 07701
sgoldenberg@ghclaw.com

BGS Suppliers

Steven Gabel - IEPNJ
Gabel Associates
417 Denison Street
Highland Park, NJ 08904
steven@gabelassociates.com

Holly Reed
Gabel Associates
417 Denison Street
Highland Park, NJ 08904
holly.reed@gabelassociates.com

Raymond Depillo
PSEG Services Corporation
80 Park Plaza, T-19
P.O. Box 570
Newark, NJ 07101
raymond.depillo@pseg.com

Shawn P. Leyden, Esq.
PSEG Energy Resources & Trade
80 Park Plaza, T-19
P. O. Box 570
Newark, NJ 07101
shawn.leyden@pseg.com

Jason Halper
Cadwalader, Wickersham & Taft LLP
700 Sixth Street, SW
Washington, DC 20001
jason.halper@cwt.com

David K Richter, Esq.
PSEG
Regulatory Department
80 Park Plaza, T-5C
P. O. Box 570
Newark, NJ 07101
david.richter@pseg.com

Craig S. Blume
Director, Power Marketing
UGI Energy Services / UGI
Development Company
One Meridian Boulevard, Suite 2C01
Wyomissing, PA 19610
cblume@ugies.com

Cynthia Klots, General Counsel
DTE EnergyTrading, Inc.
414 South Main Street
Suite 200
Ann Arbor, MI 48104
cynthia.klots@dteenergy.com

Don Hubschman
American Electric Power
155 W. Nationwide Blvd.
Columbus, OH 43215
dmhubschman@aepes.com

Christine McGarvey
AEP Energy Partners, Inc.
Energy Trader
155 W Nationwide Blvd
Suite 500
Columbus, OH 43215
clmcgarvey@aepes.com

Matthew Davies
TransCanada Power Marketing Ltd.
110 Turnpike Road, Suite300
Westborough, MA 01581
matthew_daview@transcanada.com

Becky Merola
Noble Americas Energy Solutions, LLC
5325 Sheffield Avenue
Powell, OH 43065
bmerola@noblesolutions.com

DOCKET NO. ER21030631

Service List

Glenn Riepl
AEP Energy Services
1 Riverside Plaza
14th Floor
Columbus, OH 43215-2373
gfriep@aep.com

Howard O. Thompson
Russo Tumulty Nester Thompson
Kelly, LLP
240 Cedar Knolls Road
Suite 306
Cedar Knolls, NJ 07927
hthompson@russotumulty.com

Sharon Weber
PPL Energy Plus
2 North 9th Street TW 20
Allentown, PA 18101
sjweber@pplweb.com

Glen Thomas
The P³ Group
GT Power Group LLC
1060 First Avenue
Suite 400
King of Prussia, PA 19406
gthomas@gtpowergroup.com

Divesh Gupta, Esq.
Exelon Business Services Corp.
111 Market Place
Suite 1200C
Baltimore, Maryland 21202
divesh.gupta@constellation.com

Tom Hoatson
LS Power Development, LLC
2 Tower Center
East Brunswick, NJ 08816
thoatson@lspower.com

Adam Kaufman
Executive Director
Independent Energy Producers of NJ
Five Vaughn Drive, Suite 101
Princeton, NJ 08540
akaufman@kzgrp.com

Anthony Pietranico
ConEdison Solutions Inc.
Electricity Supply Specialist
pietranicoa@conedsolutions.com

Christi L. Nicolay
Division Director
Macquarie Energy LLC
500 Dallas St., Level 31
Houston, TX 77002
Christi.Nicolay@macquarie.com

Joe Wadsworth
Vitol Inc.
2925 Richmond Ave, 11th Floor
Houston, TX 77098
jxw@vitol.com

Dinkar Bhatia
Hartree Partners LP
8 Market Place, Suite 500 A
Baltimore, MD 21202
dbhatia@hartreepartners.com

Aundrea Williams
Director Regulatory Affairs
NextEra Power Marketing LLC
700 Universe Boulevard
Juno Beach, Fl. 33408
aundrea.williams@nexteraenergyservices.com

Other Parties

Ray Cantor
NJBIA
10 West Lafayette Street
Trenton, NJ 08608-2002
rcantor@njbja.org

John Holub
NJ Retail Merchants Assoc.
332 West State Street
Trenton, NJ 08618
john@nrma.org