



Philip D. Murphy  
Governor

Sheila Y. Oliver  
Lt. Governor

## State of New Jersey

BOARD OF PUBLIC UTILITIES  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

Joseph L. Fiordaliso  
President

Mary-Anna Holden  
Commissioner

Dianne Solomon  
Commissioner

Upendra Chivukula  
Commissioner

Bob Gordon  
Commissioner

### NOTICE<sup>1</sup>

**DOCKET NO. ER19040428**

#### **IN THE MATTER OF THE PROVISION OF BASIC GENERATION SERVICE (“BGS”) FOR THE PERIOD BEGINNING JUNE 1, 2020**

In its Order dated December 2, 2003, Docket No. EO03050394, the New Jersey Board of Public Utilities (“NJBP” or “Board”) found that the pass through of any changes in charges associated with the Federal Energy Regulatory Commission (“FERC”) approved Open Access Transmission Tariff is appropriate. Furthermore, by subsequent Orders, the Board approved Section 15.9 of the Supplier Master Agreements (“SMAs”) as filed by the electric distribution companies (“EDCs”), which requires that the EDCs file for Board approval of any increases or decreases in their transmission charges that have been approved by FERC.

The SMAs also authorize the EDCs to increase or decrease the rates paid to suppliers for FERC-approved rates and changes to Firm Transmission Services once approved by the Board. The Board Orders further require that the EDCs review and verify the requested FERC-authorized changes. Section 15.9 of the SMA requires the EDCs to remit payment of the increased charges to suppliers upon, among other things, the issuance of a “Final FERC Order” approving the Firm Transmission Service rate change.

In several dockets, which are listed below, the Board allowed the collection, but not payment to suppliers, of costs for which FERC has not issued a Final Order (collectively, “Collect, Don’t Pay Orders”).

|            |                      |
|------------|----------------------|
| ER17030499 | July 26, 2017        |
| ER17060671 | August 23, 2017      |
| ER17070752 | August 23, 2017      |
| ER17111150 | December 18,<br>2017 |
| ER17121278 | January 31, 2018     |
| ER18060656 | August 29, 2018      |
| ER18070711 | August 29, 2018      |
| ER18121290 | January 17, 2019     |
| ER19060763 | August 7, 2019       |
| ER19121509 | January 22, 2020     |

<sup>1</sup>Not a Paid Legal Advertisement

In its Order dated November 13, 2019, the Board directed NJBPU Staff (“Staff”) to work with the parties prior to the filing of the 2021 BGS Auction proposals in an attempt to find a resolution to this issue. Between March 2020 and September 2020, Staff convened several meetings with the EDCs, the New Jersey Division of Rate Counsel (“Rate Counsel”), and Basic Generation Service (“BGS”) suppliers to discuss issues related to costs that have been collected from customers, but not yet paid to suppliers.

One option discussed in the meetings was a letter of credit to be secured by suppliers for their portion of the held funds to be released. Staff now seeks written and/or emailed comments on the appropriate percentage of the total held funds that suppliers should be required to post to secure their obligations should a future court decision require return of some of all of the funds to ratepayers. Although both will be given equal consideration, the preferred method of transmittal is via email to ensure timely receipt of the comments while NJBPU continues to work remotely due to the COVID-19 pandemic.

Emailed comments should be submitted electronically to the BGS e-service list in Word or other easily converted format, by emailing Director Peterson at [stacy.peterson@bpu.nj.gov](mailto:stacy.peterson@bpu.nj.gov) and Ryan Moran at [ryan.moran@bpu.nj.gov](mailto:ryan.moran@bpu.nj.gov).

Commenters are encouraged to file their submissions electronically through the Board’s External Access Portal upon obtaining a MyNewJersey Portal ID. Once an account is established, you will need an authorization code, which can be obtained upon request by emailing the Board’s IT Helpdesk at [BPUIHELPDESK@bpu.nj.gov](mailto:BPUIHELPDESK@bpu.nj.gov). Detailed instructions for e-Filing can be found on the Board’s home page at <https://www.nj.gov/bpu/agenda/efiling>.

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

All comments must be received on or before 5:00 p.m. ET on **October 9, 2020**, and must reference the above-listed docket numbers. Comments that do not reference this docket number may not be considered.



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Aida Camacho-Welch  
Secretary of the Board

Dated: September 17, 2020