Agenda Date: 05/29/13 Agenda Item: 2D



STATE OF NEW JERSEY

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

		ENERGY
IN THE MATTER OF THE PROVISION OF BASIC GENERATION SERVICE (BGS) FOR THE PERIOD BEGINNING JUNE 1, 2014)))	DECISION AND ORDER
	ý	DOCKET NO. ER13050378

Parties of Record:

Mally Becker, Esq., on behalf of Public Service Electric and Gas Company
Gregory Eisenstark, Esq., Morgan, Lewis & Bockius LLP, on behalf of Jersey Central Power
& Light Company
Philip J. Passanante, Esq., on behalf of Atlantic City Electric Company
Margaret Comes, Esq., on behalf of Rockland Electric Company
Stefanie A. Brand, Esq., Director, Division of Rate Counsel

BY THE BOARD:

By prior Board Orders in Docket No. EO11040250 dated November 9, 2011, and Docket No. ER12060485 dated November 20, 2012, the Board approved, with modifications, the joint BGS proposals of the State's electric distribution companies ("EDCs") -- Atlantic City Electric Company ("ACE"), Jersey Central Power & Light Company ("JCP&L"), Public Service Electric and Gas Company ("PSE&G") and Rockland Electric Company ("Rockland") -- that used a descending clock auction format to procure two-thirds of the State's basic generation service ("BGS") requirements for Fixed-Price ("FP") BGS customers for 36 months for periods extending to May 31, 2016. In those prior Orders, the Board did not address how the remaining BGS requirements for FP customers, as well as the State's annual BGS requirements for Commercial and Industrial Energy Pricing ("CIEP") customers, would be procured for the period beginning June 1, 2014.

¹ If the EDCs continue to propose a three year rolling product as in the past, the BGS FP requirements procured for the period beginning June 1, 2014 will supply one-third of the BGS FP load for the period June 1, 2014 through May 30, 2015, one-third of the BGS FP load for the period June 1, 2015 through May 30, 2016, and one-third of the BGS FP load for the period June 1, 2016 through May 30, 2017.

The process adopted by the Board to determine how to procure BGS for the past twelve years has provided an opportunity for participation by all interested parties through both written comments and at public hearings which resulted in a wide range of BGS suggestions, a timely Board decision and, ultimately, a successful procurement process. Accordingly, the Board intends to initiate a proceeding to determine what type of process should be used to procure BGS FP and BGS CIEP requirements for the period beginning June 1, 2014, similar to the process that has been employed for the past twelve years, including an invitation for all parties to propose how to procure BGS supply, the ability for all parties to issue discovery, provide written comments to the Board, and provide oral testimony at both legislative and public hearings where the Board encourages the use of expert testimony. The proposed procedural schedule anticipates a Board decision on the process in November 2013, and a BGS procurement process in February 2014.

Further, in its March 20, 2013 Order ("March 20 Order") in Docket No. ER12060485, the Board directed that Rockland file a revised proposal for procuring the supply requirements for its non-PJM service area within New Jersey for the BGS period beginning June 1, 2014 as part of its 2014 BGS filing. The Board indicated that as part of this filing, an examination would take place of the best process to be implemented by Rockland for its supply requirements for its non-PJM service areas within New Jersey. The Board further indicated that, Rockland, at its choosing, may submit the current auction process for Energy Transactions and UCAP Transactions as approved in the Board's March 20 Order.²

Therefore, the Board <u>DIRECTS</u> the EDCs- ACE, JCP&L, PSE&G, and Rockland- to file proposals no later than July 1, 2013, addressing how to procure the remaining one third of the State's BGS FP requirements and the annual CIEP requirements for the period beginning June 1, 2014. In addition, the Board also invites all other interested stakeholders to file alternative BGS proposals with the Board by July 1, 2013.

Further, as directed by the Board in its March 20 Order, Rockland shall file a revised proposal as part of its July 1, 2013 BGS filing for procuring the supply requirements for its non-PJM service area within New Jersey.

Furthermore, the Board <u>ADOPTS</u> the preliminary procedural schedule contained in Attachment A to this Order.

All discovery and comments must be filed with the Board's Secretary and also be electronically served via email to parties on the attached e-service list. Parties wishing to be added to the e-service list may do so by emailing Frank Perrotti at Frank.Perrotti@bpu.state.ni.us.

² By Order dated March 20, 2013, the Board approved a request for proposal ("RFP") process by Rockland to conduct an auction soliciting competitive bids from qualified bidders for "fixed for floating" financially settled NYMEX futures transactions with respect to: (i) an energy tranche ("Energy Transaction"); and (ii) an Unforced Capacity ("UCAP") tranche ("UCAP Transaction") (collectively "Transactions") as part of the supply requirements for its non-PJM service areas within New Jersey for the period of June 1, 2013 through May 31, 2014.

Parties should adhere to the attached schedule unless otherwise directed. Parties will be advised of the time and place of the legislative-style hearing identified in Attachment A electronically via email, and through a posting on the Board's webpage. The Board and/or Staff will also notify parties through the electronic service list and, when possible, through the Board's webpage, of the time and location of any meetings or hearings as well as of any schedule changes.

DATED:

5/29/13

BOARD OF PUBLIC UTILITIES BY:

ROBERT M. HANNA

PRESIDENT

JEANNE M. FOX COMMISSIONER

ØSEPH L. FIORDALISO

COMMISSIONER

ATTEST:

KRISTI IZZO SECRETARY

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In the Matter of the Provision of Basic Generation Service ("BGS") for the Period Beginning June 1, 2014 Docket No. ER13050378

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ATTACHMENT A

Preliminary 2014 BGS Schedule

DATE	Activity or Decision Point
77/01//2018	Filing of Proposals and/or Modifications for BGS for the period beginning June 1.
	2013
7/49/2019	Discovery request deadline
8/02/2013	Discovery response deadline
8/30/2013	Deadline for Initial Comments on all proposals
TEA	Legislative-type Hearing*
TEX	Public Hearings*
9/27/2013	Deadline for Final Comments**
Nov. 2813	Expected Board decision on BGS proposals
NoviDes	EDC Compliance Filing
Dec. 2013	Expected Board decision on Compliance Filing
Feb 2004	Procurement Process for BGS Supply requirements

^{*} This is a placeholder for the Legislative-type Hearing and the Public Hearings (for the public hearings the time and place will be scheduled by the EDCs in conjunction with the BPU), as required.

^{**} Final Comments should only be used to respond to issues raised either in the Initial Comments, or at the Legislative-type Hearing. They should not be used to raise new issues in this proceeding.