

Jersey Central Power & Light Company

**In the Matter of the Provision of Basic Generation Service (“BGS”) for the
Period Beginning June 1, 2024**

BPU Docket No. ER23030124

Public Hearing – September 20, 2023, 4:30 and 5:30 PM

Opening Statement

Good afternoon. My name is Yongmei Peng. I am an Analyst in the Rates and Regulatory Affairs Department for Jersey Central Power & Light (“JCP&L”), a First Energy Company.

On June 30, 2023, JCP&L and the other electric distribution companies (“EDC”) in New Jersey jointly filed their Annual Proposal for Basic Generation Service (“BGS”) to be Procured Effective June 1, 2024 with the New Jersey Board of Public Utilities (“Board”). BGS is provided to all JCP&L customers who do not purchase their generation service from a third-party supplier. In their joint proposal, JCP&L and the other EDCs requested that the Board approve a statewide competitive auction process to obtain BGS supply with rates effective June 1, 2024.

According to the requirements of the Electric Discount and Energy Competition Act of 1999, all New Jersey EDCs, including JCP&L, are responsible for providing BGS for their customers. Every year since 2003, with Board approval, BGS supply has been procured by the EDCs through a statewide competitive auction

process in which all of them seek offers for BGS supply from electric generation suppliers. In this auction process, potential BGS suppliers bid in a descending-clock auction on specified portions of the BGS supply for BGS customers for each EDC. While the auction process results in market-based BGS costs to customers, JCP&L encourages its customers to explore generation service options available from third-party suppliers. A list of licensed generation service providers available to JCP&L customers can be found on JCP&L's website: (https://www.firstenergycorp.com/customer_choice/new_jersey) or the Board's website:(<http://www.bpu.state.nj.us/bpu/assistance/utility/index.html#1>).

There are two types of BGS provided by JCP&L to its customers, the first being BGS Residential Small Commercial Pricing, or "Rider BGS-RSCP". Customers eligible for Rider BGS-RSCP rates include residential customers served under Service Classifications RS, RT or RGT, commercial and industrial customers served under Service Classifications GS and GST with a peak load share less than 500 kW, and lighting customers served under Service Classifications OL, SVL, MVL, ISL and LED.

Customers served under Service Classifications GS and GST with a peak load share of 500 kW or greater, and customers served under Service Classifications GP

and GT, are only eligible to be served BGS Commercial Industrial Energy Pricing, or “Rider BGS-CIEP”.

The final price from the 2024 BGS-RSCP auction will be blended with the prices from the previous two BGS-RSCP auctions to develop the BGS-RSCP rate to be paid by applicable customers, effective June 1, 2024 through May 31, 2025.

The final price from the 2024 BGS-CIEP auction will be paid by applicable customers for capacity portion of the BGS-CIEP cost, effective June 1, 2024 through May 31, 2025. Energy portion of the BGS-CIEP cost continues to be based on market rates on an hourly basis.

The final prices for the BGS supply procured in the 2024 BGS-RSCP and BGS-CIEP auctions may be higher than or lower than the auction clearing prices obtained in the 2023 auctions. Final BGS-RSCP rates effective June 1, 2024 through May 31, 2025, derived from 2024 and the previous two BGS-RSCP auction results may be higher or lower than current rates, depending on the outcome of the auctions, consistent with market conditions.

Additionally, as part of this year’s filing, the EDCs, per 2023 BGS Order, dated November 9, 2022, made proposals regarding rate design for Direct Current Fast Charging (“DCFC”) stations. JCP&L proposed an optional alternative BGS

CIEP Capacity Charge for eligible CIEP customers with DCFC installations, effective June 1, 2024 through May 31, 2025.

JCP&L looks forward to another successful BGS auction this year. Once completed, the results will be presented to the Board for approval. BGS customers' bills will reflect the winning auction prices beginning with bills for service on and after June 1, 2024. Thank you.