

SREC Auction Manual

PSE&G Phase 1 Loan Program



NERA

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ARTICLE I. Introduction

I.1. Background

- I.1.1. Public Service Electric & Gas (“PSE&G”) will be holding Auctions to sell Solar Renewable Energy Certificates (“SRECs”).
- I.1.2. The New Jersey Board of Public Utilities (“BPU” or “Board”) adopted Renewable Portfolio Standards (“RPS”), N.J.A.C. 14:8-2.1 et seq., which require that a portion of the electricity delivered to New Jersey customers be supplied from solar electric generation systems. Suppliers to New Jersey customers must comply with the RPS either by submitting SRECs or by paying a Solar Alternative Compliance Payment (“SACP”). An SREC is issued once 1 MWh of solar energy is generated through a solar photovoltaic system. The RPS set the goal of acquiring 20% of New Jersey’s electricity from renewable sources by 2020.
- I.1.3. To help meet this goal, on April 19, 2007, PSE&G filed with the Board a loan program (“Phase 1 Program”) that would offer funding for the development of up to 30 MW of solar photovoltaic systems. The parties reached a settlement dated March 24, 2008, which was approved by the Board on April 8, 2008. PSE&G’s approved Phase 1 Program makes loans available to developers and to all customer segments for solar projects. Borrowers can repay the loans by providing PSE&G with the SRECs generated by their solar projects. Residential loans are repaid over a period of ten (10) years while commercial loans are repaid over a period of fifteen (15) years.
- I.1.4. On October 10, 2008, a stipulation was reached for the disposition of the SRECs, which was approved by the Board on November 7, 2008. Auctions will be held quarterly to sell the SRECs transferred to PSE&G’s account from borrowers under the Phase 1 Program. The SREC Auctions will be open to all SREC market participants, including Basic Generation Service (“BGS”) Suppliers and Third Party Suppliers (“TPS”) that have an obligation to acquire SRECs for the purposes of satisfying the RPS, as well as SREC traders and aggregators.
- I.1.5. PSE&G has retained NERA Economic Consulting to serve as Auction Manager.

I.2. Overview

- I.2.1. With full implementation of the Phase 1 Program, it is expected that there will be approximately 30,000 SRECs available through the Auctions annually. At this time, the Phase 1 Program is fully subscribed, but not all solar projects are yet operational. The quantity of SRECs in the first Auctions is expected to be short of the full implementation quantity.
- I.2.2. Auctions will be held each quarter in January, April, July, and October. An Auction is held as scheduled if there are 2,000 SRECs available to sell at that time. The SRECs available in the January, April, July, and October Auctions are those generated by the last calendar day of November, February, May, and October respectively. January,

April, July, and October are called the “auction months”; November, February, May, and August are called the “generation months”.

- I.2.3. For this first Auction in January 2010, all SRECs will have been generated between June 1, 2009 and November 30, 2009, the last calendar day of the generation month preceding the month of the Auction. BGS Suppliers and TPSs can use these SRECs for compliance with the RPS for Reporting Year 2010 and for Reporting Year 2011. A Reporting Year begins on June 1 of the preceding year and ends on May 31 of that year.
- I.2.4. The Auction Manager announces to prospective bidders whether an Auction will be held as scheduled and announces a range of the number of SRECs available for that Auction no later than five days¹ after the end of the generation month that precedes the month of the Auction. No later than on the fifth day of an Auction month, the Auction Manager announces the precise number of SRECs that will be available for the Auction held in that month.
- I.2.5. To participate in the Auction, a prospective bidder must meet basic qualification standards, agree to a standard contract with PSE&G, and provide bid assurance collateral in cash. A bidder cannot bid during the Auction to purchase a number of SRECs greater than is guaranteed by its bid assurance collateral.
- I.2.6. In this January 2010 Auction bidders bid on blocks of 50 SRECs. Bidders must bid in multiples of 50 SRECs and may not purchase portions of a block. It is expected that in future Auctions held in January, April, or October each year, bidders will bid on blocks of 100 SRECs. The block size may be revised prior to each Auction. In the July Auction each year, the block size will be one (1) SREC; bidders may bid on any number of SRECs, subject to the number of SRECs available and the amount of bid assurance collateral posted.
- I.2.7. The Auction proceeds in rounds. In the first round, the Auction Manager proposes a price, called the “starting price”. Bidders bid by stating the number of blocks of SRECs that they want to purchase at the starting price. If there are more blocks bid than there are available, the Auction goes to a second round. In the second round, the Auction Manager proposes a new, higher price for the SRECs. Bidders again bid the number of blocks that they want to purchase at the price of the second round. If there are still more blocks bid than there are available to be sold, the Auction proceeds to the next round. The price in the next round will rise again and bidders will continue to bid until a price is reached at which the number of blocks of SRECs bid is just equal to the number of blocks of SRECs to be sold. A bidder wins by having a bid in the last round of the Auction at or above the clearing price of the Auction.
- I.2.8. The Auction Manager and PSE&G establish the starting price for the Auction using market data as well as parameters of the Phase 1 Program. The Auction Manager informs bidders of the starting price no later than on the fifth day of the Auction month.

¹ Unless specified otherwise, a “day” means a business day.

- I.2.9. The number of blocks that a bidder can bid during the Auction cannot increase. In round 1 of the Auction, the maximum number of blocks of SRECs that a bidder can bid is the bidder's indicative bid or initial eligibility. In round 2 of the Auction, the maximum number of blocks that a bidder can bid is the number of blocks bid in round 1. In general, in a round, the maximum number of blocks that a bidder can bid is the number of blocks bid in the previous round.
- I.2.10. The Auction establishes a single transaction price for all SRECs sold through the Auction. A winning bidder purchases the number of SRECs of the bidder's last accepted bid through the execution of a Transaction Confirmation Letter ("Confirmation") under the Master Solar Renewable Energy Certificates Agreement ("Master SREC Agreement").
- I.2.11. Under the Master SREC Agreement, winning bidders will have five (5) days from the date that the Auction has been completed to pre-pay for the SRECs purchased through the Auction. Any amounts provided as bid assurance collateral will be deducted from amounts due for purchased SRECs. Failure by a winning bidder to execute the Confirmation or to provide pre-payment of the full amount will result in forfeiture of the bid assurance collateral and may result in other sanctions or penalties.
- I.2.12. The Auction Manager will reimburse to losing bidders the amount of bid assurance collateral within five (5) days of the date that the Auction has been completed.

I.3. Information Provided to Bidders

- I.3.1. The Auction Manager has established a web site that is the main source of information for the SREC Auctions. Prospective bidders and other stakeholders can visit this web site to obtain information and documents related to the SREC Auction. The web site address is www.SolarREC-auction.com.
- I.3.2. The web site consists of the following sections:
- A "home" page that provides announcements of interest.
 - A "background" page with documents and links to the Board decisions.
 - A "bidder information" page that includes all documents and forms needed to participate in the Auction, frequently asked questions, and data. PSE&G will provide data to allow prospective bidders to evaluate the potential number of SRECs that could be available for an Auction.
 - A calendar that provides the timeline for the main events in the Auction.
 - A "contact us" page with the Auction Manager's contact information, a web form for participants to register for email updates, and a web form to ask a question to the Auction Manager. The Auction Manager answers each questioner

individually via email. The question and answer are then posted to the FAQ portion of the bidder information page.

I.3.3. The schedule for this Auction is as follows:

Event	Date
Launch of web site	Tuesday, September 01, 2009
Posting of Draft Master SREC Agreement	Tuesday, September 01, 2009
Invitation to comment on Draft Master SREC Agreement is issued	Thursday, September 10, 2009
Conference call for prospective bidders	Thursday, September 24, 2009
Comments on Draft Master SREC Agreement are due	Monday, October 12, 2009
Final documents posted (Final Master SREC Agreement and Final SREC Auction Manual)	Monday, November 2, 2009
Last generation day for SRECs	Monday, November 30, 2009
Announcement of range of number of SRECs	Thursday, December 03, 2009
Qualification Form due	Thursday, December 17, 2009
Deadline to cure deficiencies in the Qualification Form	Monday, December 21, 2009
Notification of Qualification to Proceed	Tuesday, December 22, 2009
Starting price announced	Tuesday, December 22, 2009
Announcement of final number of SRECs	Tuesday, January 05, 2010
Trial Auction	Wednesday, January 06, 2010
Signed Master SREC Agreement and bid assurance collateral due	Monday, January 25, 2010
Deadline to cure deficiencies in Master SREC Agreement and bid assurance collateral	Tuesday, January 26, 2010
Notification of Qualification to Bid	Wednesday, January 27, 2010
Auction starts	Friday, January 29, 2010

I.3.4. Times for various events are provided further below in this document.

I.3.5. This manual consists of a total of three (3) documents. This main document is called the "SREC Auction Manual". The following documents are appended to the SREC Auction Manual:

- Appendix 1: Master Solar Renewable Energy Certificates Agreement ("Master SREC Agreement")
- Appendix 2: Qualification Form

The SREC Auction Manual and the Qualification Form will be updated for each Auction and will reflect the schedule for that Auction.

ARTICLE II. Qualification Standards

II.1. Requirements

- II.1.1. Each prospective bidder must fulfill the basic qualification standards of this Article to participate in the Auction.
- II.1.2. Each prospective bidder must provide contact information, namely the prospective bidder's legal name and address.
- II.1.3. Each prospective bidder must provide contact information for a Representative that will be the main point of contact for the Auction Manager. This contact information must include: (i) name; (ii) title; (iii) address; (iv) phone number; (v) email address; and (vi) fax number. The Representative may, but is not required to, provide a cell phone number. All materials associated with the Auction, including confidential information necessary to submit bids, will be sent to the Representative. A prospective bidder may, but is not required to, name an Alternate and provide contact information for the Alternate in case the Representative is unavailable.
- II.1.4. Each prospective bidder must provide its exact Account Holder ID with PJM Environmental Information Services ("PJM-EIS") Generation Attribute Tracking System ("GATS"). The prospective bidder should carefully verify its Account Holder ID by going to the Event Log screen when logged in to its PJM-EIS GATS account. A prospective bidder that participates in more than one Auction during a Reporting Year will only need to submit this information once.
- II.1.5. The Representative of the prospective bidder must certify that the submission of any bid in any round of the Auction is a binding and irrevocable offer to purchase SRECs at the price of the round.
- II.1.6. The Representative of the prospective bidder must certify that the prospective bidder, if it is a winner at the Auction, will partially execute the Confirmation within three (3) business days of the close of the Auction and will pre-pay the full amount to purchase the number of SRECs won at the final Auction price within five (5) business days of the close of the Auction. The Representative must agree that failure to execute the Confirmation or to provide pre-payment of the full amount to purchase the number of SRECs won at the final Auction price within the specified timeframe will result in forfeiture of any posted bid assurance collateral and may result in other sanctions or penalties.
- II.1.7. The Representative of the prospective bidder must certify that it understands and agrees to the rules of the Auction as provided in this SREC Auction Manual.
- II.1.8. The Representative of the prospective bidder must certify that it is bidding independently and that it is not part of a bidding agreement, a joint venture for purposes of participating in the Auction, a bidding consortium, or any other type of bidding arrangement related to bidding in the Auction.

II.2. Submission and Processing

- II.2.1. Each prospective bidder must submit the information required by Section II.1 exclusively by using the Qualification Form, which is attached as Appendix 2. Each prospective bidder must submit two (2) original Qualification Forms with original signatures.
- II.2.2. Each prospective bidder submits its Qualification Forms by hand delivery or overnight delivery service to the Auction Manager no later than 12PM noon Eastern Prevailing Time (“EPT”) on December 17 at the following address: NERA – SREC Auction Manager, One Gateway Center, Suite 720, Newark, NJ 07102. Photocopies and facsimiles of the Qualification Form will not be considered.
- II.2.3. Upon receipt of the Qualification Forms, the Auction Manager faxes or emails (at the prospective bidder’s option) a notice to the Representative that includes: (i) the time and the date at which the Qualification Forms were received; and (ii) an assessment of the Qualification Forms. This assessment states either that the Qualification Forms are complete or the assessment lists items that are deficient or require clarification. In this latter case, the prospective bidder has until 6PM on December 21, 2009 to cure any deficiencies.
- II.2.4. The Auction Manager notifies each prospective bidder of whether it has qualified to proceed further in the January 2010 Auction no later than 6PM on December 22, 2009. This notification of qualification to proceed is made by email or fax, at the prospective bidder’s option. If a prospective bidder has qualified to proceed, the notification includes: (i) a confirmation that the prospective bidder has qualified to proceed in the January 2010 Auction; (ii) a range for the number of SRECs that will be available in the Auction; (iii) the starting price of the Auction; (iv) details of a training session where bidders can practice the submission of bids; and (v) wire transfer information for posting of bid assurance collateral. The Auction Manager will inform prospective bidders that have qualified to proceed in the January 2010 Auction of the final number of SRECs that will be available at the Auction no later than January 5, 2010. For the April, July, and October Auctions, the notification of qualification to proceed will include the final number of SRECs rather than just the range.
- II.2.5. If a prospective bidder fails to qualify to proceed in a given Auction, the Auction Manager returns one (1) original of the Qualification Form by overnight delivery service. The Auction Manager will not consider the bid assurance collateral or Master SREC Agreement from a prospective bidder who fails to qualify to proceed in a given Auction. Such a prospective bidder may not submit bids in that Auction.

ARTICLE III. Collateral and Master SREC Agreement

III.1. Requirements

- III.1.1. Only prospective bidders that have successfully qualified to proceed further in the Auction process (called "bidders") may continue and provide the materials required in this Article.
- III.1.2. To bid in the Auction, bidders must submit to the additional requirements of this Article.
- III.1.3. Each bidder must provide, in cash, bid assurance collateral of \$1,250 per block of 50 SRECs (or \$25/SREC) that the bidder intends to bid in round 1 of the Auction. The amount of the bid assurance collateral divided by \$1,250 is the bidder's indicative bid or "initial eligibility". If a bidder's indicative bid does not correspond to an integer number of blocks, the Auction Manager will round the indicative bid down to the next integer number of blocks.
- III.1.4. In the Auction, a bidder will never be able to bid on a number of blocks greater than the bidder's initial eligibility. In round 1 of the Auction, a bidder may bid on fewer blocks than the bidder's initial eligibility (including bidding zero blocks).
- III.1.5. If the bidder has not previously executed the Master SREC Agreement, the bidder must submit two (2) originals of the Master SREC Agreement, signed by an officer of the bidder or other individual empowered to bind the bidder. The Master SREC Agreement must be submitted only once; if a bidder has submitted the Master SREC Agreement in a previous Auction, the bidder does not need to submit it again.

III.2. Submission and Processing

- III.2.1. Each bidder must submit its bid assurance collateral in cash through a wire transfer. The Auction Manager provides instructions for the wire transfer with the notification of qualification to proceed. The funds must be available and the wire transfer completed by 12PM (noon EPT) on January 25, 2010.
- III.2.2. Each bidder must submit two (2) originals of the Master SREC Agreement by hand delivery or overnight delivery service to the Auction Manager no later than 12PM (noon EPT) on January 25, 2010 at the following address: NERA – SREC Auction Manager, One Gateway Center, Suite 720, Newark, NJ 07102.
- III.2.3. Upon receipt of the bid assurance collateral or the Master SREC Agreement, the Auction Manager faxes or emails (at the prospective bidder's option) a notice to the prospective bidder that includes: (i) the time and the date at which the materials were received; and (ii) an assessment of whether the materials are complete and consistent with the requirements of Section III.1. If the materials are incomplete or do not fulfill

the requirements of Section III.1, the bidder will be given one (1) day, until 6PM on January 26, 2010, to cure any deficiencies.

- III.2.4. The Auction Manager notifies each bidder of whether it has qualified to submit bids in the Auction no later than 6PM on January 27, 2010. If a bidder's materials are complete and consistent with the requirements of Section III.1, the Auction Manager sends to the bidder a notification of qualification to bid in the Auction and the bidder may participate in the Auction; otherwise, the bidder will be unable to participate in the Auction. The Auction Manager advises each bidder of its qualification status by fax or email, at the bidder's option.

ARTICLE IV. Bidding Rules

IV.1. Schedule

- IV.1.1. Each round of the Auction is divided into three phases: a bidding phase, a calculating phase, and a reporting phase.
- IV.1.2. In the bidding phase of the round, bidders place bids. A bidder can modify its bid as long as the bidding phase of the round is open. The valid bid is the last received bid that is submitted during the bidding phase and processed by the Auction software. A valid bid is a firm commitment that cannot be rescinded to purchase SRECs at the price of the round.
- IV.1.3. The calculating phase immediately follows the bidding phase. In the calculating phase of the round, the Auction Manager tabulates the results of that round's bidding phase and calculates the price for the next round. During this phase, bidders cannot submit bids and bidders do not yet have access to the results from that round's bidding phase.
- IV.1.4. The reporting phase immediately follows the calculating phase. In the reporting phase of the round, the Auction Manager informs the bidders of the results of that round's bidding phase. All bidders are informed of the going price for the next round's bidding phase and are provided with a range of excess demand in the Auction. Each bidder privately receives the results of its own bid from that round.
- IV.1.5. The Auction Manager advises the bidders of the times of the start and end of each phase of the rounds on the day prior to the Auction. The schedule is subject to change at the Auction Manager's discretion and bidders will be able advised of any changes in the schedule through the Auction software.

IV.2. Round 1 of the Auction

- IV.2.1. The going price in a round is the price at which the Auction Manager solicits bids. The starting price is the going price in the bidding phase of round 1.
- IV.2.2. A bid consists of the number of blocks of SRECs that the bidder wants to purchase at the round 1 price. In round 1, a bidder cannot bid more blocks than its initial eligibility as determined by the amount of bid assurance collateral provided. In round 1, a bidder may bid on fewer blocks than the bidder's initial eligibility (including bidding zero blocks).
- IV.2.3. If a bidder does not submit a bid during the bidding phase of round 1, the bidder is assigned a default bid. The default bid in round 1 is zero blocks.
- IV.2.4. During the calculating phase, the Auction Manager reviews the results of bidding in round 1 and round 1 then moves to the reporting phase.

- IV.2.5. If it is the case that there are more blocks bid than there are available, the Auction proceeds to round 2. The Auction Manager informs all bidders of the going price for round 2 in the reporting phase. The going price for round 2 is higher than the going price for round 1. The Auction Manager informs all bidders of a range of excess demand. The possible ranges of excess demand will be provided to bidders no later than one (1) day prior to the Auction. The Auction Manager informs each bidder individually of its eligibility for round 2. The eligibility of a bidder for round 2 is the number of blocks bid in round 1.
- IV.2.6. If it is not the case that there are more blocks bid than there are available, the Auction ends in the reporting phase of round 1. The bidders that bid at the starting price each purchase the amount of their bids at the starting price. The Auction Manager informs the bidders of that fact.

IV.3. Round 2 and Subsequent Rounds

- IV.3.1. The going price in a round is the price announced in the reporting phase of the previous round.
- IV.3.2. A bid must specify the number of blocks of SRECs that the bidder wants to purchase at the going price. A bidder cannot bid more blocks in a round than its eligibility for that round. A bidder can either select the same number of blocks as it bid in the previous round, or it can select to bid fewer blocks.
- IV.3.3. If a bidder selects to bid fewer blocks than in the previous round, the bidder withdraws blocks from the Auction. The bidder is required to specify an exit price for the blocks that the bidder is withdrawing. An exit price must be greater than or equal to the going price of the previous round and must be less than the going price of the current round. A bidder that withdraws blocks loses the eligibility associated with these blocks and forfeits the right to bid these blocks for the remainder of the Auction.
- IV.3.4. A bidder with positive eligibility must submit a bid in every round (even when the bidder's bid does not change). If a bidder with positive eligibility does not submit a bid during the bidding phase of a round, the bidder is assigned a default bid. The default bid is zero blocks. The default bid withdraws all blocks at an exit price equal to the going price of the previous round.
- IV.3.5. During the calculating phase, the Auction Manager reviews the results of bidding for the round and the round then moves to the reporting phase.
- IV.3.6. If it is the case that there are more blocks bid than are available, the Auction proceeds to the next round. The Auction Manager informs all bidders of the going price for the next round, which will be higher than the current going price. The Auction Manager informs all bidders of a range of excess demand. The Auction Manager informs each bidder individually of its eligibility for the next round. The eligibility of a bidder for the next round is the bidder's eligibility for the current round less the number of blocks withdrawn.

- IV.3.7. If it is not the case that there are more blocks bid than are available, the Auction ends in the reporting phase the round. The Auction Manager informs all bidders of the final Auction price. The Auction Manager informs each bidder of the number of blocks it has won.

IV.4. End of Auction

- IV.4.1. The Auction ends in the reporting phase of the first round in which the number of blocks bid equals or falls short of the number of blocks available.
- IV.4.2. If the number of blocks bid equals the number of blocks available, the final Auction price is the going price of the last round.
- IV.4.3. If the number of blocks bid falls short of the number of blocks available, the Auction Manager first accepts all bids at the going price. The Auction Manager then ranks the withdrawn blocks in descending order of their exit price. The Auction Manager accepts enough blocks to award all available blocks, in order, starting with the highest exit price. The final Auction price is the exit price associated with the last awarded block.
- IV.4.4. If the Auction Manager must award some but not all of the blocks from two or more bidders that named the same exit price, the Auction Manager chooses at random, for each block, the bidder who will be awarded the block. For the first block needed at the tied exit price, the probability that a bidder is chosen is the number of blocks that the bidder has withdrawn at the exit price divided by the total number of blocks withdrawn at the exit price. If a second block is awarded at the exit price, the Auction Manager again will choose at random the bidder whose block will be retained. The probability that any one bidder is chosen is the number of blocks that the bidder has withdrawn at the exit price and that have not yet been awarded divided by the total number of blocks withdrawn at the exit price and that have not yet been awarded. The Auction Manager repeats this procedure until all blocks are awarded.
- IV.4.5. The Auction Manager selects withdrawn blocks that are a result of default bids only if all bids at the going price and all blocks withdrawn by bidders (and not by default) are not sufficient to meet the number of blocks available. If the Auction Manager must award withdrawn blocks that are the result of default bids and two or more bidders have default bids, the Auction Manager chooses at random, for each block, the bidder who will be awarded the block, in a procedure analogous to that described in Paragraph IV.4.4.

IV.5. Calculation of next round prices

- IV.5.1. A price in a round will be calculated so that it increases faster when there is greater excess demand.
- IV.5.2. The percentage increase of the going price from one round to the next is called an increment.

IV.5.3. The Auction Manager will define a relationship whereby the increment will be within a specified range for a given reported range of excess demand. The possible values for the increment will be provided to bidders no later than one (1) day prior to the Auction.

IV.5.4. Prices will be rounded off to the nearest cent.

IV.6. Miscellaneous Provisions

IV.6.1. The Auction Manager can call a time-out to the Auction at any time during a round. It is intended that a time-out will suspend activity in the Auction for a period of no more than one hour; however, the Auction Manager retains the discretion to suspend activity for a longer period if necessary. Whenever a time-out is called, the Auction Manager reports to all bidders how long the time-out is expected to last.

IV.6.2. A bidder with zero eligibility will lose its ability to view the Auction results within three (3) rounds.

IV.7. Bidding Procedures

IV.7.1. The primary bidding method for the Auction is the electronic submission of bids through the Auction software. The Auction Manager will hold a training session for bidders.

IV.7.2. The secondary bidding method for the Auction is by phone. If a bidder is experiencing technical difficulty and cannot submit a bid using the Auction software, the bidder calls a technical assistant who enters the bidder's bid on the bidder's behalf.

ARTICLE V. Post-Auction Procedures

V.1. Losing Bidders

- V.1.1. The Auction Manager will return to each losing bidder its bid assurance collateral within five (5) days of receiving from the losing bidder wire transfer instructions as well as a complete W-9 form.
- V.1.2. The Auction Manager will return to each losing bidder any signed Master SREC Agreements held by the Auction Manager.

V.2. Winning Bidders

- V.2.1. No later than one (1) business day after the close of the Auction, the Auction Manager will notify each winning bidder of the number of SRECs that they will purchase and the final Auction price. The date that the Auction has been completed is called the "Trade Date". This notification will also include a summary of the procedure for full execution of the Confirmation.
- V.2.2. No later than one (1) business day after the close of the Auction, The Auction Manager will notify PSE&G of the names of the winning bidders, the PJM-GATS account number of each winning bidder, the number of SRECs purchased by each winning bidder, the amount of bid assurance collateral posted by each winning bidder, and the final Auction price. The Auction Manager will send the partially executed Master SREC Agreement for each winning bidder to PSE&G.
- V.2.3. No later than two (2) business days after the close of the Auction, PSE&G will execute two (2) originals of the Master SREC Agreement for each winning bidder and will send one (1) original Master SREC Agreement by overnight delivery service to each winning bidder.
- V.2.4. PSE&G will prepare the Confirmation. No later than two (2) business days after the close of the Auction, PSE&G will partially execute each Confirmation and will send by fax (1) copy to the winning bidder. PSE&G will also send two (2) partially executed originals of the Confirmation to the winning bidder by overnight delivery service.
- V.2.5. By 2PM on the third business day after the close of the Auction, the winning bidder will execute the Confirmation and will send a copy by fax to PSE&G. The winning bidder will also send to PSE&G one (1) original by overnight delivery service.
- V.2.6. Within five (5) business days after the close of the Auction, the winning bidder will pre-pay PSE&G for all SRECs purchased at the final Auction price, net of any bid assurance collateral posted by the winning bidder. This date is called the "Payment Date".
- V.2.7. Within two (2) business days of the Payment Date, PSE&G delivers the SRECs to the winning bidder's PJM-GATS account.

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