

SREC Auction Manual

PSE&G Solar Programs



NERA

Economic Consulting

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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. The Solar Energy Advancement and Fair Competition Act (“Solar Act”), signed into law on January 18, 2010, requires a fixed quantity of electricity delivered to New Jersey customers be supplied from solar electric generation systems. Suppliers to New Jersey customers must comply with these obligations either by submitting SRECs or by paying a Solar Alternative Compliance Payment (“SACP”).
- I.1.3. An SREC is issued once 1 MWh of solar energy is generated through a solar photovoltaic system.
- I.1.4. To help meet New Jersey’s solar electric generation goals, PSE&G has initiated, and the Board has approved, various solar programs. On April 8, 2008, the Board approved PSE&G’s loan program, which made loans available to developers and to all customer segments for the development of up to 30 MW of solar projects. On November 11, 2009, the Board approved the extension of this loan program to finance the installation of an additional 51 MW of solar projects. Borrowers repay the loans by providing PSE&G with the SRECs generated by their solar projects. On July 29, 2009, the Board approved an additional solar program through which PSE&G directly invests in up to 80 MW of solar projects.
- I.1.5. On November 7, 2008, the Board approved the use of auctions to dispose of SRECs held by PSE&G. These SRECs include those generated by solar projects in which PSE&G directly invests and SRECs transferred to PSE&G’s account by borrowers under its loan programs. Auctions will be held quarterly. The SREC Auctions will be open to all SREC market participants, including SREC traders and aggregators, as well as Basic Generation Service (“BGS”) Suppliers and Third Party Suppliers (“TPSs”) that have an obligation to acquire SRECs for the purposes of satisfying their obligations under the RPS and the Solar Act.
- I.1.6. PSE&G has retained NERA Economic Consulting to serve as Auction Manager.

I.2. Overview

- I.2.1. With full implementation of PSE&G's solar programs, there would be approximately 161,000 SRECs available through the Auctions annually. 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 quarterly in January, April, July, and October. An Auction is held if there are 2,000 SRECs available to sell at that time. An Auction was held on January 29, 2010 in which 2,800 SRECs were sold at a price of \$685.06. No Auction was held in April because there were fewer than 2,000 SRECs available to sell at that time. An auction was held on July 20, 2010 in which 5,750 SRECs were sold at a price of \$688.03. This Auction will be held on October 26, 2010 and there will be between 5,500 and 6,300 SRECs available.
- I.2.3. The SRECs available in the January, April, July, and October Auctions are those generated by the last calendar day of November, February, May, and August respectively. January, April, July, and October are called the "auction months"; November, February, May, and August are called the "generation months". In this Auction, all SRECs have been generated on or after June 1, 2010, and on or before August 31, 2010, 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.
- I.2.4. When practicable, 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 Auction bidders bid on blocks of 50 SRECs. Bidders must bid in multiples of 50 SRECs and may not purchase portions of a block. The block size may be revised prior to each Auction.
- I.2.7. The Auction proceeds in rounds. In the first round, the Auction Manager proposes a price per SREC, 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 per SREC. Bidders again bid the number of blocks that they want to purchase at the price of the second round. If there

¹ Unless specified otherwise, a "day" means a business day.

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 on one or more of the available blocks in the last round 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 PSE&G's solar programs. The Auction Manager informs bidders of the starting price no later than on the fifth day of the Auction month.
- 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 have five (5) days from the date of completion of the Auction to pre-pay for the SRECs. 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 return the amount of bid assurance collateral to losing bidders (or to winning bidders whose bid assurance collateral exceeds the amount owed for SRECs won) within ten (10) days of: (i) the date of completion of the Auction, or (ii) receiving return wire transfer instructions as well as a completed W-9 form, whichever occurs later.

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 Auctions. Prospective bidders and other stakeholders can visit this web site to obtain information and documents related to the 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 links to the Board decisions, results from previous Auctions, and an “Archives” section that contains bidder information from previous Auctions.
- 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 in future Auctions.
- 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
Last generation day for SRECs	Tuesday, August 31, 2010
Documents posted (Master SREC Agreement, SREC Bidder Manual, Qualification Form)	Thursday, September 30, 2010
Announcement of final number of SRECs	Thursday, October 7, 2010
Qualification Form due	Wednesday, October 13, 2010
Deadline to cure deficiencies in the Qualification Form	Thursday, October 14, 2010
Notification of Qualification to Proceed	Friday, October 15, 2010
Starting price announced	Friday, October 15, 2010
Signed Master SREC Agreement and bid assurance collateral due	Thursday, October 21, 2010
Deadline to cure deficiencies in Master SREC Agreement and bid assurance collateral	Friday, October 22, 2010
Notification of Qualification to Bid	Monday, October 25, 2010
Auction starts	Tuesday, October 26, 2010

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

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 Name with PJM Environmental Information Services ("PJM-EIS") Generation Attribute Tracking System ("GATS").
- 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 October 13, 2010 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 sends a notice (by fax or by email at the prospective bidder’s option) to the Representative that includes: (i) the date on 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 October 14, 2010 to cure any deficiencies.
- II.2.4. The Auction Manager notifies each prospective bidder of whether it has qualified to proceed further in this Auction no later than 6PM on October 15, 2010. 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 this Auction; (ii) the number of SRECs that will be available in this Auction; (iii) the starting price of this 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.
- 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 that 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 \$50 per block of 50 SRECs (or \$1/SREC) that the bidder intends to bid in round 1 of the Auction. The amount of the bid assurance collateral divided by \$50 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 won SRECs in a previous Auction, 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. If a bidder has won SRECs in a previous Auction, the bidder does not need to submit the Master SREC Agreement 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 October 21, 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 October 21, 2010 at the following address: NERA – SREC Auction Manager, One Gateway Center, Suite 720, Newark, NJ 07102.
- III.2.3. Each bidder is encouraged, but not required, to provide as early as convenient: (i) return wire transfer instructions for its bid assurance collateral; and (ii) a completed W-9 form. These documents are required for the Auction Manager to return bid assurance collateral to losing bidders (or to winning bidders whose bid assurance collateral exceeds the amount owed for SRECs won). The Auction Manager will effect the return of bid assurance collateral no later than ten (10) days after the close of the Auction, or after the receipt of these documents, whichever comes later. A bidder that

has submitted these documents in a previous Auction must either: confirm that these documents remain accurate and up-to-date; or: submit new documents.

- III.2.4. Upon receipt of the bid assurance collateral or the Master SREC Agreement, the Auction Manager sends a notice (by fax or email at the bidder's option) to the bidder that includes: (i) the date on 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 October 22, 2010, to cure any deficiencies.
- III.2.5. The Auction Manager notifies each bidder of whether it has qualified to submit bids in the Auction no later than 6PM on October 25, 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 to purchase SRECs at the price of the round that cannot be rescinded.
- 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 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 in the current round.

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 of 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 at the final Auction price.

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 that 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 that 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 the price increase is positively related to the level of 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 the amount of bid assurance collateral to losing bidders within ten (10) days of: (i) the date of completion of the Auction, or (ii) receiving return wire transfer instructions as well as a completed W-9 form, whichever occurs later.
- 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.

- V.2.8. The Auction Manager will return the amount of bid assurance collateral to winning bidders whose bid assurance collateral exceeds the amount owed for SRECs won within ten (10) days of: (i) the date of completion of the Auction, or (ii) receiving return wire transfer instructions as well as a completed W-9 form, whichever occurs later.

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