



Sale of Solar Renewable Energy Certificates (SRECs)

ADDENDUM to the SREC Auction Manual **March 2021 Auction**

I.1 Auction Schedule and Additional Documents

The schedule for this Auction is below. All times in this Auction Schedule are Eastern Prevailing Time (“EPT”) unless specifically noted.

| Event | Date |
|---|---------------------------|
| Last generation day for SRECs | Sunday, February 28, 2021 |
| Documents posted to Auction website | Friday, February 19, 2021 |
| Ranges of number of SRECs announced | Friday, February 19, 2021 |
| Qualification Deadline by 12 PM (online qualification form, bid assurance collateral, Master SREC Agreements are due) | Wednesday, March 10, 2021 |
| Cure Deficiency Deadline by 6 PM | Monday, March 15, 2021 |
| Notification of Qualification Date | Tuesday, March 16, 2021 |
| Starting prices and final number of SRECs announced | Tuesday, March 16, 2021 |
| Trial Auction | Wednesday, March 17, 2021 |
| Auction starts | Thursday, March 18, 2021 |

I.2 Additional Instructions

Some bidders and members of the Auction Manager team are expected to be working from home during the qualification period and on the day of the Auction. The Auction Manager will issue additional instructions to bidders regarding the secondary bidding method with the Notification

of Qualification. The Auction Manager will accept electronic signatures on the Representation Form, but the Auction Manager may in that case confirm the identity of the signatory by phone.

I.3 Ranges of SRECs Available

PSE&G, JCP&L, ACE, and RECO will be the sellers in the Auction. There will be two vintages available in this March 2021 Auction: 2020 SRECs and 2021 SRECs. The EDCs estimate that there will be between 2,100 and 3,100 2020 SRECs and between 46,000 and 70,000 2021 SRECs available at the Auction. The 2020 SRECs were created in GATS as generation between June 1, 2019 and May 31, 2020. The 2021 SRECs were created in GATS as generation between June 1, 2020 and February 28, 2021.

In addition, at the conclusion of the Auction, bidders will have the opportunity to submit a bid for a single block of Pre-2020 SRECs (expected to consist of 2019, 2018, and 2017 SRECs). The block will contain fewer than 500 SRECs. The bidding procedure for this additional single block is explained in more detail below.

The Auction Manager will provide to bidders the exact number of 2020 SRECs and 2021 SRECs that will be available at the Auction and the exact composition of the additional single block with their Notification of Qualification.

I.4 Bid Assurance Collateral

No bid assurance collateral is required for the March 2021 SREC Auction. Each bidder will be able to bid on all blocks available in the first round of the Auction.

I.5 Bidding Procedures: Additional Single Block of Pre-2020 SRECS

At the conclusion of the Auction, bidders will have the opportunity to submit a bid for an additional single block of Pre-2020 SRECs. The block is expected to include fewer than 500 2019, 2018, and 2017 SRECs in total.

Bid Process

Bidders submit as a bid a single price per SREC to purchase the entire additional single block according to the following process:

1. The Auction Manager announces the start and end times of the bid window through system mail in the Auction Software.¹
2. Bidders submit their bids via system mail during the bid window. No information about the bids will be announced during the bid window.
3. At the close of the bid window, all bidders that submitted bids for the additional single block will be advised of the results.

Bid Format

A bidder sends a message to the Auction Manager via system mail in the Auction Software that contains the bid price per SREC and that states that the bid price applies to the additional block. For example:

`[company_name] bids $XXX.XX/SREC to purchase the additional block`

The exact number of Pre-2020 SRECs to be included in this block will be provided with the Notification of Qualification.

Bid Evaluation

It is expected that the additional single block will be awarded to the bidder with the highest bid. However, the Auction Manager and the EDCs reserve the right to reject all bids.

I.6 Tentative Date for the Next Auction

The following is a tentative date for the next Auction as well as the vintage that is expected to be made available:

| Tentative Auction Date | Vintage(s) Available | Seller(s) |
|-------------------------------|-----------------------------|------------------|
| Tuesday, June 8, 2021 | 2021 | PSE&G |

¹ For purposes of participation in the bid process for the additional single block, all bidders will be able to see auction results until the conclusion of the Auction.