



Eatontown Community Energy Aggregation

Program Announcement!

The Borough of Eatontown is pleased to announce the Eatontown Community Energy Aggregation Program ("ECEA"), a new program designed to provide energy costs savings to the residents of Eatontown. The ECEA program is being implemented under a State law that allows municipalities to combine residents' energy usage for the bulk purchase of energy supply, and to award a contract to a third party supplier ("TPS") at a rate below the price charged by JCP&L. This fall, the Borough combined the load of all residential customers and issued a public bid from licensed suppliers. After an extensive evaluation, the Borough of Eatontown accepted the bid from the low bidder, South Jersey Energy Company ("SJE").

South Jersey Energy Company will supply power to ECEA participants for a 21-month contract beginning with the March 2016 meter reads (MRDs) at a non-variable price of \$0.08238 per kilowatt-hour (kWh). This represents a savings of about 19% as compared to the average JCP&L tariff price! The power supply portion of your utility bill has a price to compare of approximately \$0.1016/kWh.

The typical resident can expect to save over \$15/month under the ECEA program, or about \$325 over the 21-month contract term, with no change to the level of service. Aggregate savings for Borough residents that participate in the ECEA program are estimated to be nearly \$1.6 million from March 2016 through December 2017.

Additionally, in an effort to respond to the interest expressed by some Borough residents to reduce their carbon footprint, the ECEA program offers the option to receive energy supply that contains 25% renewable energy. The contract price for this voluntary ECEA Renewable Energy Product Option is \$0.08488 per kWh, *which still represents a savings of 16% as compared to the average JCP&L tariff price!* As such, selecting this product will result in a price that is slightly (about 3%) higher than the standard ECEA price, but contain 25% renewable energy as compared to the about 15% renewable energy content for JCP&L power supply. It is emphasized that this slightly higher-priced 25% renewable product is a voluntary add-on that individual residents can select if they so choose. To learn more and to select the 25% renewable energy option please contact South Jersey Energy Company using their contact information below.

The Borough of Eatontown is pleased to provide you with this opportunity to save money on your energy costs, with the option to decrease your environmental impact. Please keep an eye out for specific information and mailings regarding the ECEA program leading up to the programs implementation in March 2016.

Here are answers to some frequently asked questions about the program. . .

➤ **What is Community Energy Aggregation?**

Community Energy Aggregation is a program that allows a municipality to conduct a “bulk purchase” of energy supply on behalf of its residents, **at prices lower than the average utility price**. New Jersey regulations allow municipalities to take this approach to procure savings on your behalf.

The Borough of Eatontown hired and collaborated with its Energy Consultant, Gabel Associates, to implement a successful procurement process for a Third Party Supplier to provide power supply to its residents.

➤ **Who is Gabel Associates?**

Gabel Associates is a registered Energy Consultant that has been retained by Eatontown to administer and implement the ECEA program. The firm has helped pioneer energy procurement in New Jersey and has been supporting large scale aggregations (like this one) for over 15 years. We were also a key participant in the development of CEA rules and programs state-wide.

Gabel Associates was the first firm in the State to have successfully implemented a CEA program in New Jersey, and the firm has successfully completed the most CEA programs in the State. These programs have saved millions of dollars for New Jersey residents!

➤ **Who is South Jersey Energy Company?**

SJE is part of South Jersey Industries, which owns a gas utility in New Jersey and has been in business as a retail electric supplier in New Jersey since 1997.

South Jersey Energy Company can be contacted as follows:

South Jersey Energy (BPU License # ESL-0012) Toll Free Telephone Number: 1-(888) 811-9078 Website: www.southjerseyenergy.com Address: 11 E. Superior St Suite 430, Duluth, MN 55802 Email Address: ECEA-SJE@sjindustries.com
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➤ **How does the ECEA Program work?**

The Borough, with the assistance of Gabel Associates, issued a competitive bid process in late 2015 following strict competitive contracting laws in an effort to select a Third Party Supplier (“TPS”) of electricity at a non-variable rate below the average JCP&L price (or BGS tariff price).

All residents who are not shopping independently are automatically included in the ECEA program and were sent a notice in the mail in January 2016. This notice, known as the Opt-Out Notice, provided all the details of the program as well as the various ways to opt-out of the

program, including SJE's toll free telephone number, email address, and a postage-paid opt-out card.

Customers have 30 days to review the Opt-Out Notice and decide whether they wish to opt-out of the program. After 30 days, residents who do not opt-out of the program are enrolled by the winning supplier.

Even after an electric account is enrolled, residents are free to opt-out of the program at any time during the contract! Participation in the ECEA Program is 100% optional! There are no any fees or penalties if you decide to opt-out.

Customers that have their own, independent TPS contracts were given the option to join the ECEA program once their current contract expired.

➤ **Will I receive two bills?**

No, you will always receive one bill from JCP&L. The only thing that changes in the ECEA Program, or any CEA Program, is the cost of the electricity provided.

Electric bills are comprised of two main components: power supply and distribution. It is important to emphasize that this program covers **only the power supply portion of the electric bill**. Under New Jersey's retail choice regulations, you may purchase power supply from either the electric utility company under its Basic Generation Service ("BGS") tariff rates, or you may purchase your power supply from a Third Party Supplier ("TPS"). The goal of the ECEA program is to provide savings on the power supply portion of your bill. The new, lower power supply charges assessed by South Jersey Energy will appear on your JCP&L bill in place of the BGS tariff charges for power supply. JCP&L delivery charges will remain the same.

The delivery portion will continue to be provided by JCP&L at regulated rates and JCP&L will continue to provide all emergency and safety services. JCP&L will also continue to provide customer services such as meter reading, billing and service restoration. Furthermore, you will continue to have all existing consumer protections and rights.

Importantly, the delivery and distribution of electricity under this program will continue to remain the same, through the regulated utility (i.e. JCP&L) that serves your home. The utility continues to handle your account, providing meter reading and billing, and addressing any power outages and maintaining service.

➤ **Can I Opt-In to the ECEA Program?**

Yes. Residents who have their own third party supply contract but would like to join the ECEA program will be given the opportunity to join.

For customers with their own TPS contracts, it is very important to read your existing contracts very carefully, as there may be penalties for terminating the contract prematurely. Some third party suppliers have automatic "roll over" provisions which renew your contract without consent or action from you. Please be sure to read your current agreement and take the necessary actions to alert your third party supplier that you wish to terminate service at the end of your contract term in order to join the ECEA.

Please note that neither the Energy Consultant nor the Borough are responsible for informing your existing supplier or terminating your agreement with them. However, if you have any difficulty with them, please let us know and we'll try to help you resolve issues. Contact Information Provided Below.

➤ **Will I be able to keep my budget billing (or equalized payment plan)?**

The Borough required South Jersey Energy to provide budget billing for their power supply charges to those customers that currently have such arrangements with JCP&L. JCP&L will continue to provide budget billing for their delivery charges. Therefore, the consolidated bill issued by JCP&L will continue to contain equalized payments.

Nonetheless, budget billing with JCP&L's distribution portion of the bill and the awarded third party supplier's supply portion of the bill can be complicated. If you are experiencing trouble with your budget billing, please contact JCP&L, South Jersey Energy, or Gabel Associates (contact information below) for assistance.

➤ **Why is the program set up so that residents can only opt-out, rather than having it so that residents may opt-in if they wish to join?**

The program is set up this way to ensure that a sufficient number of households will participate to obtain a meaningful bid, and to avoid the costly and time-consuming process of having everyone affirmatively sign up for the program.

The aggregation rules incorporate consumer protections, and recognize the logistical challenges of a residential procurement program, while at the same time providing a structure that will attract bidders.

When the retail choice program was originally enacted in NJ in 1999, the rules required that government aggregators be required to obtain a so-called "wet signature" from each residential customer demonstrating the customer's affirmative consent to join. After a number of years it was recognized that this "opt in" approach put such a burden on the programs that none got off the ground, and the model was changed to "opt-out" for residential customers. Unlike business customers, residential customers represent large numbers and (relatively) small usage/margins for each account. In order for an aggregation of residential customers to work, it is necessary to get large volumes with as low transaction costs as possible. This results in the opt-out approach, which gives suppliers a firmer basis for the load they are bidding on, but still provides residential customers with the ability to opt out.

The regulations also require that an aggregation program show savings versus the utility-provided rates. Each residential customer will receive a written notification after the bid, informing them of the price, the comparison to the utility price, and their right to opt out. As such, each resident will be fully apprised of all pertinent information necessary to make an informed decision.

➤ **What about power outages?**

Power outages are **not** under the control of the third party supplier. The delivery system is still under JCP&L's control, and there is no difference in delivery services whether you purchase the

power supply from a third party supplier or from JCP&L under its tariff. In the event of an outage, you would still contact JCP&L.

➤ **What if I have a solar system?**

Customers with solar systems, especially that are larger in size, typically result in solar production in some months exceeding your monthly electric consumption. In such cases, the monthly utility bill is usually very low.

For these customers, the savings attributable to the ECEA program would be very minimal. It is for this reason that the Borough has elected to remove solar customers from the ECEA supply contract.

However, if you believe based upon a review of your past bills that your solar system is NOT producing excess energy that is being 'banked' on your JCP&L bill, you may consider opting-in to the ECEA program. You are encouraged to contact the selected supplier or JCP&L for further information.

➤ **Will the LIHEAP and Lifeline benefit programs for low income residents still apply if I participate in the ECEA?**

LIHEAP (Low Income Home Energy Assistance Program) is a federally funded program, administered by the Dept. of Community Affairs, to assist low income households with paying their heating bills (whether electric, gas, oil, etc.). There should be no impact of participation in the ECEA program on customers' eligibility. Lifeline or Universal Service programs are state-funded through State taxes and societal benefits charges, again with eligibility based upon a number of factors tied to income. Bill credits of up to \$225 are provided to assist eligible customers with electric and gas utility bills. The ECEA will provide consolidated billing through the utility; as such the bill credits would be unaffected.

➤ **Where can I get more information or answers to additional questions?**

You can contact Gabel Associates, the Borough's Energy Consultant at [1-855-365-0770](tel:1-855-365-0770) or by email at ECEA-info@gabelassociates.com.