

# Lacey Township Community Energy Aggregation Program

**A Local Services Program for  
Lowering Energy Costs**

**Consultants:**

**Gabel Associates, Inc.**

[www.gabelassociates.com](http://www.gabelassociates.com)



# LCEA Program: How does it work?

- Program is permitted and implemented under the Government Energy Aggregation (GEA) law and Board of Public Utilities (BPU) rules. GEA is intended to allow a municipality to pool its residents together to create 'purchasing power' and obtain power supply at a better price, and under more favorable terms and conditions, than residents could obtain when shopping on their own.
- Under State rules, a municipality first must pass an ordinance to establish a Community Energy Aggregation Program. The Lacey Community Energy Aggregation (LCEA) was formed by the Township as the result of an ordinance that was passed in September 2013.
- \* The next step in the process is to conduct a public, competitive bid process. The first step in that process is the submission of draft bid documents to the BPU and Division of Rate Counsel for review, to assure compliance with the BPU's rules.
- Lacey Township joined with Stafford Township to form a purchasing cooperative to create additional purchasing power and efficiency. After the BPU review process, a Request for Proposals (RFP) was issued in November 2016 to all New Jersey licensed third party suppliers, requesting competitive offers to supply electricity to Township residents who are not currently being served by a third party supplier.
- **Under BPU rules, the Township could only award a contract if the bid price was below the current tariff price charged by JCP&L. If there were no savings, then no contract could be awarded.**

# LCEA Program: Bid Result

- In December 2016 proposals were received as a result of that competitive process, and it was determined that the proposal from South Jersey Energy (SJE), for a 20-month contract beginning April 2017, provides the most overall value, considering price, long-term price stability and the qualifications of South Jersey Energy. Therefore a contract was awarded to SJE.
- The contract price is \$.08655/kwh, which is approximately 14% lower than the current, average JCP&L tariff price for power supply. This level of savings translates into savings of about \$10 per month, or nearly \$200 over the 20-month contract term.

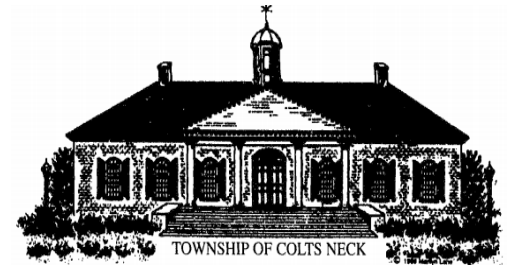


# Benefits of the LCEA Program

- Reduced Energy Prices
  - Competitive process encourages lower rates
- Consumer Protection
  - Township and consultants manage risk by designing the contract and bid specifications to protect consumers. Contract terms are reviewed by BPU and Rate Counsel. The price is established and known for the full contract term; no ‘bait and switch’ on price; no ‘market-based’ variable prices; no hidden fees. Length of contract is specifically defined. No fine print for customers to worry about. Contract allows the Township to renegotiate the price or terminate the contract and have all participants returned to JCP&L tariff power supply if the JCP&L tariff price drops below the contract price.
- Transparency
  - \* Residents are informed of price, contract term and comparative savings vs. utility tariff
- Customer Choice
  - Customers may opt out at any time with no exit fee
- No Hassle
  - Third party supplier charge shows up on JCP&L bill- no change
- Local purchasing
  - Currently the utility, through a wholesale auction overseen by the State, selects the supplier for residential accounts. The LCEA program allows the municipality to shop on behalf of the residents.

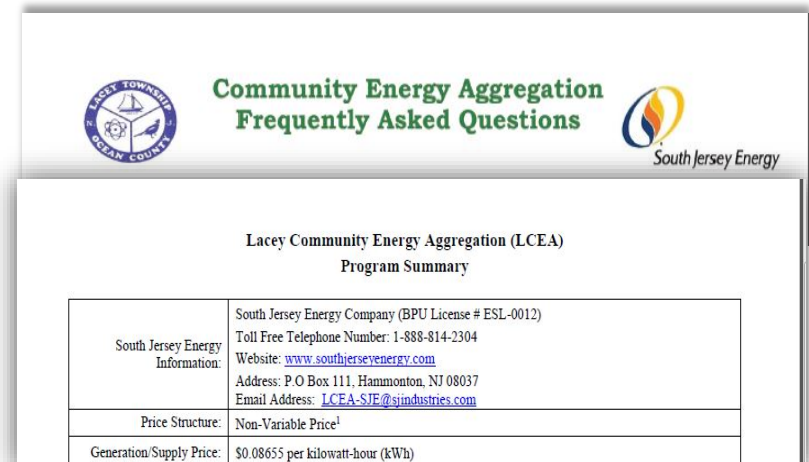
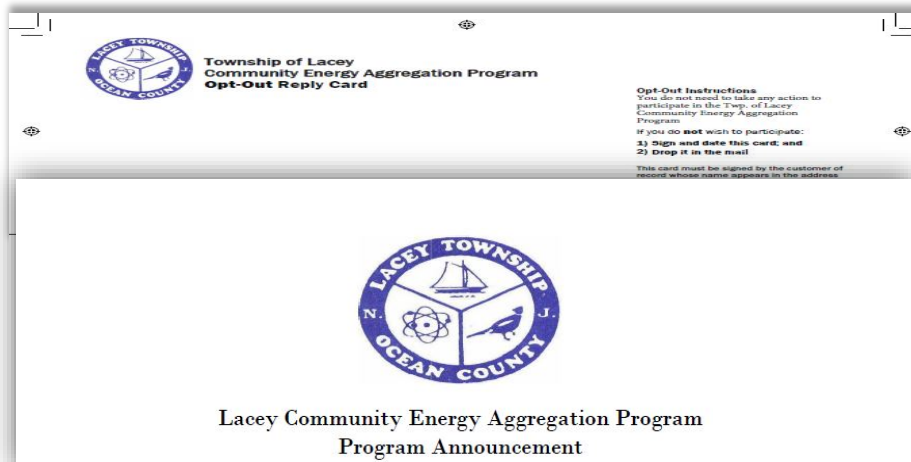
# LCEA Program: Following Other Programs' Success

- Dozens of municipalities across NJ have explored and implemented GEA programs.
  - A number of municipalities have implemented a second round program after the first program expired, and one municipality (Plumsted) is on its 3rd round.
- Since 2012, GEA Programs we have implemented for NJ municipalities, including those listed below, have saved residents \$35 million in total.



# Overview of LCEA: How does it work?

- Just before February 1, 2017, a Notification Package was mailed out by SJE to the list of Township residents provided by JCP&L who do currently receive power supply service from JCP&L (customers who have third-party supply independent of the LCEA program are, by rule, not included in this mailing). Those residents who have solar systems or who requested to be placed on a 'Do Not Disturb' list were also removed from the list and excluded from this mailing.
- The Notification Package includes a short introductory letter, a Program Summary table, and a 1-page FAQs. The package also includes an 'opt-out' card.



# Overview of LCEA: (Continued)

- All residents who are included in the initial eligibility list have the option to ‘Opt-Out’ of the program. “Opt-out” is fast and easy. Residents can either sign and drop the postage-paid “opt-out” card in the mail, can call South Jersey Energy’s toll-free program phone number, e-mail SJE’s LCEA address or visit Gabel’s website: [gabelassociates.com/GEA](http://gabelassociates.com/GEA) (case sensitive). The initial opt-out period concludes on March 4<sup>th</sup>. Residents that mail back the card or call or email SJE by March 4<sup>th</sup> will not be enrolled in the program. Customers can also call or email Gabel Associates, and we will pass along your opt-out request to SJE.
- After March 4<sup>th</sup>, South Jersey Energy will begin enrolling residents for service beginning with your April 2017 meter read date. This will be reflected on the JCP&L bill you receive in May.
- ❖ **If you do not opt-out by March 4<sup>th</sup> and your account is enrolled by SJE, prior to your April 2017 meter read date with the third-party supplier, you will receive a separate notice from JCP&L in mid-March informing you that the supplier has enrolled your account. No further action is required if you wish to participate.**
- Even after the initial enrollment, if residents change their mind they may opt-out at ANY time without penalty or termination fee

# Overview of LCEA: (Continued)

- Residents who have their own third party supply contract or who have their own solar power systems and who are therefore excluded from the initial eligibility pool and do not receive the Notification Letter mailing may still participate in the program, by deciding to 'opt-in' to the program. You can opt-in by contacting SJE or Gabel Associates.
- Customers with their own third party supply contract will be urged, before deciding to opt-in to the LCEA program, to compare prices and to read your existing contract language very carefully, to assure that there will be no penalties assessed by your current supplier for terminating the contract prematurely (unlike the LCEA program which prohibits termination fees, some third party supply contracts include provisions for early termination penalties).



# Who is South Jersey Energy?

- South Jersey Energy is a licensed electric power supplier that is active in the state and affiliated with South Jersey Industries, a utility which delivers gas through its South Jersey Gas arm.
- SJE has been in business serving retail electricity and natural gas customers in NJ for many years. SJE is currently providing electricity to tens of thousands of residents via the energy aggregation programs in Old Bridge, Hamilton, Lambertville, West Amwell and Eatontown.
- If you have any questions regarding the program, if you wish to opt-out of the program, or if you did not receive the Notification Letter and wish to become a LCEA program participant, you can reach South Jersey Energy Energy in the following manners:
  - Call toll-free at: (888) 814-2304
  - Email to: [LCEA-SJE@sjindustries.com](mailto:LCEA-SJE@sjindustries.com)



# Who is Gabel Associates?

- Gabel Associates is an independent energy consulting firm and State-registered energy agent awarded the contract to assist with the implementation of the LCEA program by the Township through a competitive solicitation process.
- Gabel Associates is not affiliated with any retail energy supplier. Gabel Associates works for the Township, impartially assists with the implementation of the competitive bid process for energy supply and selection of the winning bidder, and is available to answer questions from Township residents and assist with opt-outs or opt-ins.
- If you have any questions regarding the program, if you wish to opt-out of the program, or if you did not receive the Notification Letter and wish to become a LCEA program participant, you can contact Gabel Associates for assistance in the following manners:
  - \* Call toll-free at: 855-365-0770
  - \* Website: [gabelassociates.com/GEA](http://gabelassociates.com/GEA)
  - \* Email to: [LCEA-info@gabelassociates.com](mailto:LCEA-info@gabelassociates.com)



# LCEA Program: Anticipated Timeline

Below you'll find a LCEA timeline with important dates to remember:

<b>Lacey CEA Timeline</b>		
	<b>Actions</b>	<b>Dates</b>
1	'Opt-Out Notification Letters Mailed to Residents	Late January
2	Public Information Session	February 16, 2017
3	30 Day Opt-Out Period Concludes	March 4th, 2017
4	Enrollments Submitted to JCP&L	Early March 2017
5	JCP&L Mails Confirmation Letters to Residents	Mid-March 2017
6	Service Begins	April Meter Read
7	Service Ends	December Meter Read 2018

# Community Energy Aggregation Recap/Facts

- All residents (except those who currently have a third party supplier or who have an installed solar system ) are automatically included in the LCEA program, subject to an open-ended ability to opt-out.
- Residents may opt out at any time without penalty. If you opt-out by March 4<sup>th</sup> you will be removed from the eligibility list and will not be enrolled. Opt-outs occurring after March 4<sup>th</sup> will be removed from the program at the next available JCP&L meter read date.
- The LCEA contract price is about 14% lower than the current, average JCP&L 'price-to-compare.' The contract price is locked-in for the full length of the contract. JCP&L tariff prices for power supply are adjusted modestly from time to time. If the JCP&L tariff prices for power supply drop below the contract price, the Township can renegotiate the price or terminate the contract and have all customers returned to JCP&L tariff power supply.
- JCP&L will continue to provide the delivery of power and reliability. In the case of a power outage, a resident would still reach out to JCP&L to have power restored.
- Residents will still receive **one** bill for electricity; the third party supplier's energy cost will be included on your JCP&L bill in place of the JCP&L power supply line item.
- Residents who have budget billing (Equal Payment Plan) arrangements with JCP&L will still be able to obtain budget billing for power supply charges.
- There will be no effect on financial assistance received on JCP&L bill.

# Sample JCP&L Bill

To report an emergency or an outage, call 24 hours a day 1-888-544-4877. For Customer Service, call 1-800-662-3115. For Payment Options, call 1-800-962-0383. Pay your bill online at [www.firslenergycorp.com](http://www.firslenergycorp.com)  
 Bill issued by: JCP&L, PO Box 16001, Reading PA 19612-6001

Messages	Account Summary	Amount Due
Se dispone de avisos de terminación en español Mensaje de cuenta. Los usuarios que poseen un balance de cuenta vencido reciben un aviso por correo indicando que se les puede suspender el suministro de electricidad. Si usted necesita recibir esos avisos en español, haga el favor de llamarnos al 1-800-662-3115.	Previous Balance	144.07
The Basic Generation Service price per KWH listed in the charges box is the price to compare. In order to save money, you must buy your electricity from a supplier at a price THAT IS LESS than your JCP&L price to compare.	Payments/Adjustments	-144.07
Your next meter reading is scheduled to occur on or about Oct 08, 2013.	<b>Balance at Billing on Sep 11, 2013</b>	<b>0.00</b>
Before purchasing a natural gas-powered generator to serve as a backup during power outages, please call your natural gas provider to ensure your meter and service line can support the additional usage. The natural gas provider can advise you of any required upgrades and additional costs.	JCP&L - Consumption	109.07
	<b>Amount Due by Sep 26, 2013</b>	<b>\$109.07</b>
	<b>Usage Information for Meter Number</b>	
	Sep 09, 2013 KWH Reading (Actual)	14,498
	Aug 10, 2013 KWH Reading (Estimate)	13,720
	KWH used	778
	<b>Charges From JCP&amp;L</b>	
	When contacting an Electric Generation Supplier, please provide the following Customer Number:	
	Rate: Residential Service JC_RS_01D	
	Customer Charge	2.20
	Basic Generation Service	226 KWH x 0.009735 2.20
		552 KWH x 0.004493 2.48
		778 KWH x 0.092404 71.89
	Delivery Service Charges	778 KWH x 0.038946 30.30
	<b>Current Consumption Bill Charges</b>	<b>109.07</b>
	<b>Detail Payment and Adjustment Information</b>	
	08/29/13 Payment	-144.07

**Basic Generation Charges**  
 (~14% Savings by Participation in the LCEA)

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<b>Current Consumption Bill Charges</b>			<b>109.07</b>
<b>Detail Payment and Adjustment Information</b>			
08/29/13	Payment		-144.07

**Delivery Service Charges**  
 (Not Impacted by LCEA)

Thank you

Questions?

Visit the Energy Aggregation page of the Township's website at:

[www.laceytownship.org/energy](http://www.laceytownship.org/energy)

for more information.