



The Township of Plumsted Community Energy Aggregation Program (PCEA)

PCEA Round VI Program Update
September 2021

The Township has recently awarded a contract for the sixth round of the Plumsted Community Energy Aggregation ("PCEA") program, under which it has signed a contract with Energy Harbor ("Energy Harbor") that will offer Township residents a renewed opportunity to save money on their electric bills! Residents are not obligated to participate in the program and may 'opt-out' if you so choose. Eligible residents will be receiving a package in the mail from Energy Harbor in early October 2021 providing program details. Provided below is a program description as well as answers to frequently asked questions.

➤ Overview

Since 2012 with the establishment of the Plumsted Community Energy Aggregation program, the Township of Plumsted has successfully provided over \$1 million in energy cost savings for its residents. Under this program, the Township combines the electric load of all Plumsted residential customers and seeks competitive bids from licensed third-party suppliers. This energy aggregation program, approved under State rules, leverages the bulk purchasing power of thousands of households to obtain electric supply at lower cost.

With the expiration in December 2019 of the PCEA-Round 4 contract with Constellation New Energy, Plumsted sought competitive bids for the fifth round of the program. For this bid, Plumsted Township joined with neighboring Manchester Township to form a joint purchasing cooperative called the Manchester Energy Aggregation Procurement Cooperative (MEAPC) and to create even greater purchasing power. As a result of a competitive procurement process conducted in Summer 2019, the Township of Manchester, as the lead agent in the MEAPC, awarded a contract to Constellation New Energy ("CNE") for Round V of the PCEA program. That contract, which has also produced significant electricity cost savings for participating residents, will be coming to an end in October 2021.

With the end of the PCEA Round 5 contract approaching, in May 2021 the MEAPC issued a Request for Proposals to solicit competitive offers from suppliers for Round 6 of the program, for service beginning in October 2021. The initial offers received in June 2021

did not result in sufficiently beneficial pricing to warrant the award of a new contract. The MEAPC requested refreshed competitive pricing from suppliers, this time with an option of having the new contract start in *December 2021*. *With this modification, the MEAPC was able to obtain improved pricing offers and, on July 13, 2021 signed a contract with the low bidder, Energy Harbor, LLC, on behalf of Manchester and Plumsted residents. The new contract with Energy Harbor will provide electric supply for a 24-month term beginning December 2021, at a price of \$0.08580 per kilowatt-hour ("kWh"). This price is approximately 10% below the current, average JCP&L tariff price for power supply. Although JCP&L tariff prices are expected to drop next year, the average Township resident is still projected to save in excess of \$100 over the full contract term, with savings more heavily weighted towards the first 8 months of the contract. For those residents residing in all-electric homes who heat with electricity, total savings will likely be greater.*

As with the PCEA Rounds I, II, III, IV and V, the energy aggregation program is only for the energy supply portion of your electric service. 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.

The Township is pleased to again provide you with this opportunity to save money on your energy costs. Please keep an eye out for specific information and mailings regarding the MCEA program in early October 2021, leading up to the program's implementation in December 2021.

The section below contains additional information about the PCEA program and answers to some frequently asked questions:

➤ **What is Community Energy Aggregation (CEA)?**

Community Energy Aggregation is a State program, otherwise referred to as Community Energy Aggregation or simply a 'residential energy aggregation program', that allows municipalities to conduct a "bulk purchase" of energy supply on behalf of its residents, **with the goal of achieving prices that are lower than the average utility price for power supply**. New Jersey regulations allow municipalities to take this approach to procure savings on your behalf.

➤ **Who is Gabel Associates?**

Gabel Associates is a State-registered Energy Consultant that has been retained by Plumsted and Manchester to assist with the administration and implementation of the community energy aggregation programs for the two municipalities. The firm has helped pioneer energy procurement in New Jersey and has been supporting large scale aggregations (like this one)

in New Jersey for nearly 20 years. They were also a key participant in the development of the State's rules under which these programs are run.

Gabel Associates is a well-respected Energy Consultant that has been in business in New Jersey for over 27 years, with its offices located in Highland Park, New Jersey. Gabel Associates was the first firm in the State to have successfully implemented a CEA program in New Jersey, right here in Plumsted Township in 2012, and the firm has successfully completed the many CEA programs throughout the State, many of which are in their second, third, fourth or even fifth iterations. These programs, also implemented by about 50 municipalities statewide, have saved millions of dollars for New Jersey residents.

Gabel Associates can be contacted through their website at www.gabelassociates.com/GEA or by emailing their Plumsted program helpline at PCEA-info@gabelassociates.com.

➤ **Who is Energy Harbor?**

Energy Harbor is a retail power supplier licensed by the NJ Board of Public Utilities, and currently serves approximately 700,000 residential customers nationwide, with approximately half of those being served as part of residential energy aggregation programs similar to the PCEA. They have recently expanded into the NJ aggregation market and currently provide electric power supply to Plainsboro Township residents in Middlesex County as well as seven towns in Essex and Bergen counties.

Energy Harbor can be contacted as follows:

Energy Harbor, LLC (BPU License # ESL-0246)
Toll Free Telephone Number: 1-866-636-3749
Website: <https://energyharbor.com/communities>
Address: 168 East Market St, Akron, Ohio 44308
Email Address: firstchoice@energyharbor.com

➤ **How does the PCEA Program work?**

The Township, in conjunction with Manchester Township and with the assistance of Gabel Associates, issued a public, competitive bidding process in May 2021 following strict competitive contracting laws and rules of the State, in an effort to select a Third Party Supplier ("TPS") of electricity at a price below the average JCP&L price (or BGS tariff price) for power supply.

All eligible residents (all residential customers of JCP&L in the Township except for those that already have their own TPS contract outside of the PCEA program, or that have a solar electric generating system on their property that supplies power to their home, or those relatively small number of homes on JCP&L's time-of-use tariff, will automatically be included in the PCEA program and will be sent a notice in the mail in early October 2021. This package, known as the Opt-Out Notice, provides all the details of the program as well as the various ways to opt-out of the program if you do not wish to participate, including the awarded TPS'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, (the 30-day period ending October 31, 2021) residents who did not opt-out of the program will be 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 PCEA Program is 100% optional! There are still no fees or penalties if you decide to opt-out.

Customers that have their own, independent TPS contracts are not initially included but are given the option to join the PCEA program.

➤ Will I receive two bills?

No, you will always receive one bill from JCP&L. The only thing that changes in the PCEA 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 PCEA program is to provide savings on the power supply portion of your bill.

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

As noted above, your JCP&L bill has two categories of charges: delivery service and supply service. If you participate in the PCEA program, your bill will consist of JCP&L charges for delivery service and Energy Harbor charges for supply service. The new, lower power supply charges assessed by Energy Harbor will take effect in December 2021 and will appear on your JCP&L bill beginning in January. JCP&L delivery charges remain the same.

➤ **Do I have to be part of the program?**

No. Residential customers who are initially included in the program have the right to “opt-out” During the initial, pre-enrollment 30-day ‘opt-out period, or at any time after enrollment.

However, it is advantageous for all residents to join and remain in the program, as this gives the community the “strength in numbers” to negotiate the best price for consumers. All residents would receive information about the program and be given the opportunity to opt-out.

Energy Harbor will mail an Opt-Out Notice to all Plumsted residents who are on the program eligibility list. This Notice will contain all of the details of the Round VI program as well as a description of the various ways to opt-out of the program, including a toll-free telephone number, email address, and a postage-paid opt-out card.

After that 30 day opt-out period (the 30-day period ending October 31, 2021), those residents who do not opt-out of the program will be 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!

➤ **Would I be able to opt-in to the PCEA Program?**

Yes. Residents who have their own third-party supply contract and who therefore would not be included in the initial eligibility pool, but would like to join the PCEA, would have the opportunity to do so. Residents who move into their home after the start of the program and who therefore would not be included in the initial eligibility pool, but would like to join the PCEA, would also have the opportunity to opt-in to the program.

For customers with their own TPS contracts: If you currently have your own third-party supply contract but were considering terminating that contract and joining the PCEA program, it would be very important to first 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 affirmative consent or action from you. Please be sure to read your current agreement and if, after comparing your current deal to the PCEA program you decided to join the Township’s program, you would simply need to alert your third-party supplier that you wish to terminate service at the end of your contract term, and then contact the awarded PCEA supplier directly to opt-in to the PCEA program.

Please note that, if you have an existing contract with a supplier not affiliated with the PCEA program, neither the Energy Consultant nor the Township would be 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 would try to help you resolve issues.

As noted above, those relatively few residents who take service from JCP&L under the utility's Residential Time-of-Day Service ("RT") tariff have been removed from the initial eligibility as, based upon some recent changes to the RT tariff, unlike other customers it is projected that the average customer taking service under that RT tariff would likely achieve very little savings under the program. Of course, if you are a resident that takes service under the RT tariff and would still like to participate in the program, you are welcome to do so, and you can contact the awarded PCEA supplier (Energy Harbor) directly to opt-in to the PCEA program.

➤ **Will I still be able to receive budget billing (Equal Payment Plan)?**

The Township requires that the awarded supplier 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 service, and the awarded supplier will also bill a levelized amount each month (through the JCP&L bill) for power supply. Also, the monthly budget amount initially established by Energy Harbor may be adjusted up or down during the contract term to reflect changes in your actual usage as compared to historical usage levels, and there will be a final true-up on your last bill with Energy Harbor at the end of the PCEA program contract in December 2023 to assure that you only pay for what you use over the entire contract term, no more and no less. You can also reach out to Energy Harbor at 1-866-636-3749 or firstchoice@energyharbor.com at any time after the contract starts should you wish to check on your equal payment plan true-up balance.

If you do not currently have budget billing with JCP&L but wish to receive an Equal Payment Plan from the awarded supplier for their power supply charges, you will be able to contact the awarded PCEA supplier and request that they establish this service for you.

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 to experience trouble with your budget billing, you may contact JCP&L, the winning supplier, or Gabel Associates 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 'opt-out' model for community energy aggregation is established in the State laws and regulations governing these types of programs. 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. Starting with a large pool of eligible customers provides for an opportunity that attracts suppliers to bid, which creates robust competition for your business and also allows suppliers to reflect bulk purchasing discounts in their price bids.

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.

➤ **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 at 1-888-544-4877.

➤ **What if I have a solar renewable energy system?**

Customers with solar power generating 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 Energy Aggregation programs would be very minimal on average. In addition, you may risk losing the full benefits of ‘banking’ of excess solar production that only JCP&L is able to provide. It is for this reason that the Township will remove solar customers from the PCEA 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 PCEA program. You are encouraged to contact the selected solar vendor or JCP&L for further information.

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

LIHEAP (Low Income Home Energy Assistance Program) is a federally funded program, administered by the NJ Department 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 PCEA program on customers' eligibility. Lifeline or Universal Service programs are state-funded through State taxes and societal benefits charges, again with eligibility based upon several factors tied to income. Bill credits are provided to assist eligible customers with electric and gas utility bills. These benefits are distributed via credits applied through the electric utility bill. PCEA participants will still receive a single bill through the utility; as such any assistance bill credits provided through your utility bill would be unaffected.