

## **Plumsted Continues the Longest-Running Community Energy Cost Savings Program in the State, Reaches \$1.5 Million in Total Savings**

Plumsted Township broke new ground five years ago, introducing and implementing the first successful Community Energy Aggregation program in the State of New Jersey, under the State's Government Energy Aggregation law approved by the state legislature in 2003. Earlier this month, the Township completed its most recent bid process and awarded a contract for the fourth round of the Plumsted Community Energy Aggregation (PCEA) program. This latest contract, which will run 24 months from December 2017 through December 2019, will bring total Plumsted resident savings since under the PCEA program to about \$1.5 million or an average overall savings of approximately 11%.

Township residents who are currently participating in the PCEA-Round 3 program or that currently receive power supply from JCP&L will receive a mailing in October with detailed PCEA-Round 4 contract information, and will be given the opportunity to 'opt-out' of the program if they do not wish to participate. Participating customers will also be notified by JCP&L in November of the switch from the current PCEA supplier, TriEagle Energy, to the new PCEA supplier, Constellation New energy. The switch will take effect with residents' December 2017 meter read, and the new price will first appear on their January JCP&L bills.

Under the State's Government Energy Aggregation (GEA) law, New Jersey municipalities are permitted aggregate residential electric accounts and conduct a single bid for power supply for all residents, taking advantage of bulk purchasing power that residents do not have on their own. By 2012, the GEA law had been on the books for nearly 10 years, without any municipalities having successfully navigated the process and implemented a community energy aggregation program. Then, in Fall 2012 Plumsted Township became the first New Jersey municipality to conduct a successful bid under the GEA law, and awarded the first-of-its-kind power supply contract with a third-party supplier, a 12-month contract that began in January 2013, and produced approximately \$400,000 in savings for participating Township residents.

Subsequently, Plumsted bid and awarded two additional contracts under Rounds 2 and 3 of the PCEA; the current PCEA-Round 3 contract will be expiring in December 2017, bring total Township-wide savings to date to about \$1.2 million. With the approaching expiration of the PCEA-Round 3 contract, the Township once again went out to the competitive market, and earlier this month awarded a contract to Constellation New Energy for Round 4 of the PCEA program. The contract with Constellation New Energy will begin in December 2017, concurrent with the expiration of the current contract with TriEagle Energy. The new contract with Constellation New Energy will result in about a 4% price reduction for program participants as compared to the current PCEA contract. The new contract is estimated to save participating Township residents about \$150 per household as compared to the JCP&L tariff price for power supply, or an estimated additional \$300 thousand Township-wide over the 24-

month contract term. This will bring the total savings from the PCEA program from January 2013 through December 2019 to an estimated \$1.5 million.

Plumsted's ground-breaking initiative back in 2012 opened up the market in New Jersey, paving the way for dozens of municipalities that have implemented similar programs in recent years. However most of those municipalities are only on their first or second contract. Plumsted is still at the forefront, being the only municipality in the State embarking on its fourth such contract.

While many Township residents are by now quite familiar with the Township's community energy aggregation program, Mayor Trotta explained it as basically a way for Plumsted residents to get a better price for electricity by going out to bid for the entire community's needs instead of doing it on an individual basis. He emphasized that nothing will change in the delivery of energy by JCP&L, the state-regulated electric utility that serves Plumsted Township. They will continue to be responsible for maintenance, outages, etc., and participating customers will still receive a single electric bill from JCP&L. In addition, the PCEA program contract contains numerous consumer protections that are not always included in third-party supply contract that residents enter on their own, including prohibitions against 'bait-and-switch' pricing and early termination fees.

For further information, visit the PMUA web site, [www.pmua.net](http://www.pmua.net), or contact Peter Ylvisaker, Executive Director, at 609-758-2241, ext 132 or by email to [pylvisaker@plumsted.org](mailto:pylvisaker@plumsted.org).