



The Township of Plumsted Community Energy Aggregation Program (PCEA)

PCEA Round IV Program Update!

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.

With the approaching expiration in December 2017 of the PCEA-Round 3 contract with TriEagle Energy, Plumsted sought competitive bids for the fourth time in August 2017. This latest bid conducted by the Township resulted in the award of a new contract to the low bidder, Constellation New Energy, for a 24-month contract beginning in December of 2017. The newest contract is expected to save the typical Township resident about \$6 per month, or nearly \$140 over the contract term, with no change to the level of service.

The new power supply contract with Constellation will start in December 2017, allowing for a seamless transition between the Round III and Round IV program suppliers. Customers currently participating in PCEA-Round III will automatically be transitioned over to Constellation from TriEagle Energy after their December 2017 meter read date (MRD), unless they opt-out of the program. Eligible residents currently receiving power supply from JCP&L and who do not opt out of the PCEA-Round IV program will be transitioned from JCP&L supply to Constellation in December 2017.

The aggregation program is only for the energy supply portion of your electric service. As with the PCEA Rounds I, II, & III, 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 PCEA Program has been structured to provide residential customers with savings on their energy supply at a minimum of risk. Nonetheless, if for any reason you are dissatisfied with the supply service, you have the right to leave the aggregation program at any time without penalties or exit fees assessed!

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

➤ **What is Community Energy Aggregation?**

Community Energy Aggregation is a program that allows municipalities 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 Township of Plumsted has hired and collaborated with their Energy Consultant, Gabel Associates, to implement a successful procurement process for a Third Party Supplier to provide power supply to their residents.

➤ **Who is Gabel Associates?**

Gabel Associates is a registered Energy Consultant that has been retained by Plumsted to administer and implement the PCEA program. The firm has helped pioneer energy procurement in New Jersey and has been supporting large scale aggregations (like this one) in New Jersey for over 15 years. They 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!

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 Constellation New Energy?**

Constellation is a licensed electric power supplier serving residential customers in the state of New Jersey and nationally. The firm supplies energy to hundreds of thousands of accounts nation-wide, and is currently serving over 560,000 residential aggregation customers.

Constellation will take over from TriEagle as the PCEA program’s newest energy supplier starting in December 2017 and ending in December 2019.

Constellation New Energy (BPU License # ESL-0016)

Toll Free Telephone Number: (833)-526-6174

Website: www.constellation.com/nj-plumsted

Address: 1310 Point Street, Baltimore, MD 21231

Email Address: vst@constellation.com

➤ **How does the PCEA Program work?**

The Township, with the assistance of Gabel Associates, issued a competitive 'Request for Proposals' or 'RFP' in July 2017 following competitive contracting laws and rules of the State, 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 eligible residents (all residential customers of JCP&L in the Township except for those that already have their own TPS contract, or that have a solar generating system on their property that supplies power to their home, or who have asked to be placed on a 'Do Not Disturb' list in previous rounds of the PCEA) will automatically be included in the PCEA program and will be sent a notice in the mail in October 2017. This notice, 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, including Constellation'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 November 5, 2017) 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 any fees or penalties if you decide to opt-out.

Customers that have their own, independent TPS contracts will have the option to join the PCEA program once their current contract expires.

➤ **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 new, lower power supply charges assessed by Constellation New Energy will appear on your

JCP&L bill in place of the BGS tariff charges for power supply. JCP&L delivery charges remain the same.

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.

Importantly, the delivery and distribution of electricity under this program remains 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.

➤ **Will the PCEA Round IV Program be structured the same way?**

Yes! Constellation 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 IV 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.

Customers will have 30 days to review the Opt-Out Notice and decide whether they wish to opt-out of the program. After that 30 day opt-out period (the 30-day period ending November 5, 2017), 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 but would like to join the next round of the PCEA 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, and some third-party suppliers have automatically "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 PCEA.

Please note that neither the Energy Consultant nor the Township 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 is provided above

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

The Township requires Constellation New 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, under the current PCEA program, and any future contracts that the Township awards, 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, Constellation New Energy, or Gabel Associates (contact information above) 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 received 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 is 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 PCEA program would be very minimal. It is for this reason that the Township elected to 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 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 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 of up to \$225 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.