

Hamilton Township Community Energy Aggregation Program

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

**Consultants:
Gabel Associates, Inc.**

www.gabelassociates.com



HCEA Program: How does it work?

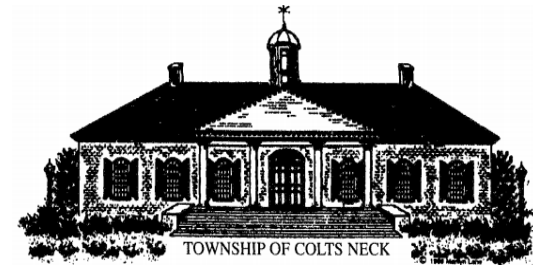
- Program is permitted and implemented under the Government Energy Aggregation (GEA) law and Board of Public Utilities (BPU) rules.
- GEA is intended to allow a municipality to pool its residents together to create 'purchasing power' and obtain power supply at a better price, and under more favorable 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 Hamilton Township Community Energy Aggregation (HCEA) was formed by the Township as the result of an ordinance that was passed in June 2014.
- Under this program the Township, with guidance from its consultants, will release a Request for Proposals (RFP) to all New Jersey licensed third party suppliers to supply electricity to all Township residents who are not currently being served by a third party supplier.
- The Township and its consultants will analyze the bids received, and the Township Council will determine the most beneficial bid to award, if any. **Under BPU rules, the Township can only award a contract if the bid price is below the current tariff price charged by PSE&G. If there is no savings, there is no contract awarded**

Benefits of the HCEA 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.
- 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 PSE&G bill- no change
- Local purchasing
 - Currently the utility, through a wholesale auction overseen by the State, selects the supplier for residential accounts. The HCEA program allows the municipality to shop on behalf of the residents.

HCEA 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 HCEA: How does it work?

- If, based upon the competitive bids received, the Governing Body votes to award a contract to a supplier, a Notification Letter will be mailed out to Township residents who currently receive power supply service from PSE&G (customers who have third-party supply independent of the HCEA program will not be included in this mailing). Those residents who have solar systems or who request to be placed on a 'Do Not Disturb' list that will be circulated at the conclusion of the meeting will also be excluded from this mailing.
- The Notification Letter contains the bid price per kilowatt hour, a comparison to the PSE&G price, estimated savings over the contract term, and information on how to "opt-out" of the program. Below are examples of communications that will be sent to residents.



Community Energy Aggregation Frequently Asked Questions

What is Community Energy Aggregation?

Community Energy Aggregation is a program permitted under New Jersey State law that allows municipalities to bid for power supply from third-party suppliers, with the aim of obtaining a power supply price that is cheaper than the utility. The program is conducted under the oversight of the New Jersey Board of Public Utilities, the Department of Community Affairs.

Who has Hamilton Township selected as the HCEA program supplier?

[Supplier] was selected by the Township as the qualified supplier with the lowest bid price in a public bidding process, as required by the New Jersey Board of Public Utilities.



Dear Hamilton Township Resident:

On behalf of the Township Council, I am pleased to announce that the Township has awarded a contract that will save residents money on their monthly electricity bills. The Township is authorized by an Ordinance in 2014 - allows the Township to seek competitive bids from suppliers to provide electric power supply at a price lower than that offered by Public Service (PSE&G).

The Township of Hamilton Community Energy Aggregation Program Program Announcement

Hamilton Community Energy Aggregation Program Program Summary

[Supplier] Information:	[Supplier] ("[Supplier]") (BPU License # ESL-____) Toll-Free Telephone Number: ____-____-____ Website: www.____.com Address: _____ Email Address: _____@____.com
Price Structure:	Non-Variable Price ¹
Generation/Supply Price:	\$0.____ per kilowatt-hour (kWh)
Statement Regarding Savings:	HCEA program supply price is about ____% below the average PSE&G tariff supply price of \$0.____ / kWh. Estimated savings for the typical Township resident are about \$____ per month, or about \$____ over the contract term. While highly unlikely, if the average PSE&G supply price falls below the HCEA contract price, you will be so notified, and you retain your ability to opt out of the program. For budget billing details, see footnote below. ²
Amount of Time Required to Change Back to Default Service or Another TPS:	The request to switch out of the HCEA program will become effective on the next available meter read date in accordance with State-approved processes implemented by PSE&G.
Incentives:	None

Overview of HCEA: (Continued)

- The “Opt-out” process is fast and easy. Residents can either sign and drop the postage-paid “opt-out” card in the mail, can call the supplier’s toll-free program phone number, visit the supplier’s HCEA website or send an email, using the contact information provided in that Notification mailing. Residents that mail back the card or call or email the supplier by the opt-out deadline 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 the supplier.
- ❖ **Prior to your initial meter read date with the third-party supplier, you will receive a separate notice from PSE&G 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 HCEA: (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.
- Customers with their own third party supply contract will be urged, before deciding to opt-in to the HCEA 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 HCEA program which prohibits termination fees, some third party supply contracts include provisions for early termination penalties).

HCEA Program: Anticipated Timeline

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

Hamilton CEA Timeline		
	Actions	Dates
1	Public Info Session	9/29/2016
2	Bid Advertised and Released	10/6/2016
3	Bids Accepted by Township/ Council Decides on Award of Contract	11/1/2016

If a contract is awarded, the following steps will occur.

4	'Opt-Out Notification Letters Mailed to Residents	Late December 2016
5	Public Information Session	Mid-January 2017
6	30 Day Opt-Out Period Concludes	Late January 2017
7	Enrollments Submitted to PSE&G	Early February 2017
8	PSE&G Mails Confirmation Letters to Residents	Mid-February 2017
9	Service Begins	March Meter Read 2017

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 HCEA program by the Township through a competitive bid 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 HCEA program participant, you can contact Gabel Associates for assistance in the following manners:
 - * Call toll-free at: 855-365-0770
 - * Email to: HCEA-info@gabelassociates.com



Community Energy Aggregation Recap/Facts

- All residents (except those who currently have a third party supplier or who have an installed solar system) will be automatically included in the HCEA program
- Residents may opt out at any time without penalty
- The HCEA contract price must be lower than the average PSE&G 'price-to-compare'
- PSE&G will continue to provide the delivery of power and reliability. In the case of a power outage, a resident would still reach out to PSE&G to have power restored.
- Residents will still receive **one** bill for electricity; the third party supplier's energy cost will be included on your PSE&G bill in place of the PSE&G power supply line item.
- Residents who have budget billing (Equal Payment Plan) arrangements with PSE&G will still be able to obtain budget billing for power supply charges.

Sample PSE&G Bill

PSE&G Electric		Summer Month 2010		Page 3 of 4
		Account number 12 345 678 90 Invoice number: 012345678901 Customer service and emergencies 1 800 436-PSEG (7734)		
Usage Meter 1111111111		POD Number PoD ID: PE000000441865325698		
Estimated reading July 10 25250		Charges		Rate - RS
Estimated reading June 10 24470		Delivery		
Total kWh 780		Service charge		\$2.46
		Distribution charges		
		kWh charges		35.76
		Next		11.47
		Sub-Total Delivery		\$49.69
		Supply*		
		BGS Energy		
		Charges		73.42
		Next		23.78
		Sub-Total Supply		\$97.20
		Total electric charges		\$146.89
<i>*The total supply amount (\$97.20 or an average of 0.124615 per kWh) is your Price to Compare for this month should you consider another electric supplier for these services. Your Price to Compare varies each month depending upon your usage pattern.</i>				

Delivery Service Charges
(Not Impacted by HCEA)

Basic Generation Charges
(Reduced by Participation in the HCEA)

Thank you

Questions?

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

www.hamiltonnj.com/energy

for more information.