

Plumsted Community Energy Aggregation (PCEA)

PLUMSTED TOWNSHIP

Municipal Utilities Authority

Presents

**A Proposed New Local Services Program for
Lowering Energy Costs
and Encouraging Conservation and Clean Energy**

Presented by

Plumsted Municipal Utilities Authority (www.PMUA.net)

Cooling America thru Local Leadership (CALL)

www.NJCCEA.org

and Gabel Associates

energy, environmental and public utility consulting

www.gabelassociates.com

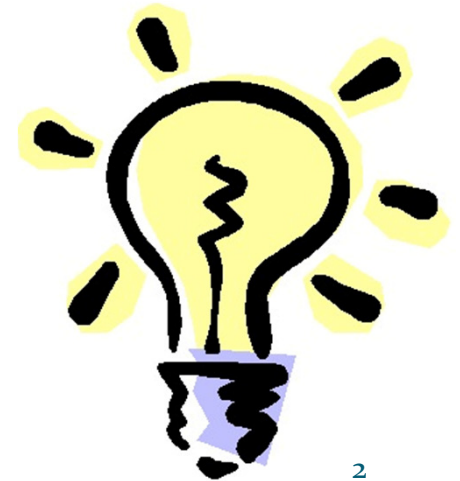
Monday, June 4, 2012



Plumsted Community Energy Aggregation (PCEA)

Overview of the presentation:

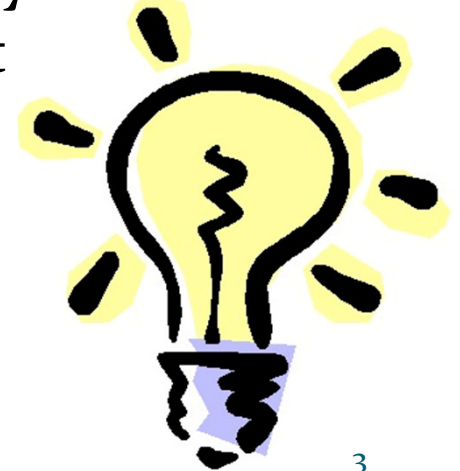
1. Why is the PMUA introducing this program?
2. How will it work?
3. Community energy aggregation — why?
4. Plumsted the first CEA in the state
5. Energy market quick facts
6. PCEA quick facts
7. Conservation and clean energy
8. Next steps in the program
9. What actions do I need to take?
10. Q&A



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Why is the PMUA introducing this program?

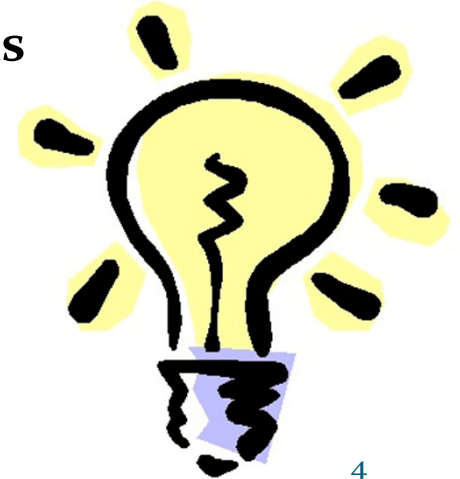
- Another municipal service with economies of scale, like the trash and recycling programs started last July
- By buying on behalf of the entire community, it lowers everyone's energy costs
- It provides an opportunity to introduce conservation and renewable energy programs
- Reduces commercial energy costs and may attract more business and economic development
- Simplifies the process



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How will the PCEA program work?

1. The Township approves a resolution to form a Community Energy Aggregation (this begins the opt-in period for businesses)
2. All residents and business owners are notified and informed of their options — residents may opt out, businesses may opt in if they wish to be included
3. JCP&L provides data on all service accounts
4. Opt-in and opt-out responses are received
5. Gabel Associates prepares a complete bid package, receives and reviews bids, and recommends a third party supplier
6. Power continues to be delivered through JCP&L as before, except at a lower cost.



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What is Community Energy Aggregation and why do it?

1. New Jersey is one of five states to introduce “government energy aggregation” in the wake of the 1999 Energy Deregulation Act (EDECA), to ensure benefits of competition to all ratepayers
2. Other states have had successful implementations; it’s sometimes called “Community Choice Aggregation”
3. California, e.g., Marin County
4. Ohio, e.g., NOPEC
5. Massachusetts, e.g., Cape Light Compact
6. NJ’s 2003 Government Energy Aggregation Act allows cities and counties to aggregate the buying power of their constituents to secure alternative sources of energy
7. How it benefits local communities

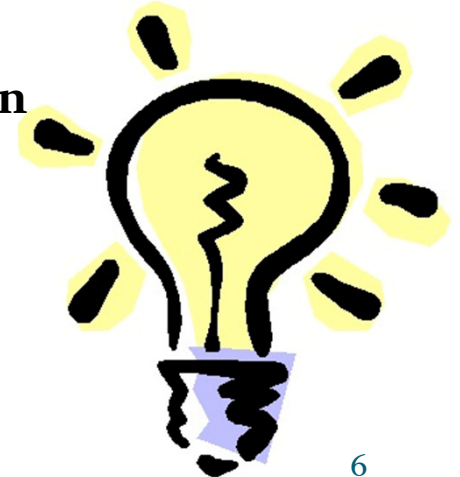
Currently, nearly 1 million Americans receive services from community aggregators in Massachusetts, Ohio and California



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Plumsted may be the first CEA to launch in the state

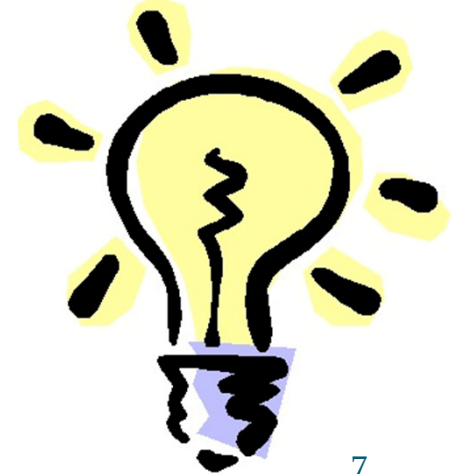
1. Plumsted Township authorized the PMUA to investigate Community Energy Aggregation programs
2. After careful study, evaluation and consultation with other states, the PMUA engaged a consultant to implement the procurement process
3. The Gabel Associates, Inc. & Cooling America Thru Local Leadership team was the successful respondent to the Request for Proposals for an energy consultant, issued by the PMUA in February
4. Gabel Associates & CALL have a wealth of experience and knowledge surrounding New Jersey energy markets, procurement of energy, and community energy aggregation programs.
5. Plumsted Township is on track to be the first community in New Jersey to solicit offers for power supply for residents and businesses under this type of program



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Energy Market Quick Facts

- 1. Under the State's 'retail choice' program, electric customers may purchase power from the electric utility under regulated tariffs, or may purchase electricity supply from a third party supplier ("TPS").**
- 2. Whether a customer chooses a TPS or remains with the utility for power supply, the energy is still delivered from the grid to the customer's meter over the utility's delivery system. There is no difference in the physical delivery of power. The principal difference is price.**
- 3. Many large businesses have switched to third party suppliers over the years; by contrast relatively few residential customers and small business customers have switched.**
- 4. Community aggregation can give residential and small customers greater collective buying power. The municipality establishes contract terms so residents and participating businesses have a set of 'eyes and ears' watching out for their interests.**



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PCEA Quick Facts

- 1. Plumsted Township will be soliciting pricing for the procurement of electric supply in bulk on behalf of its residents and businesses**
- 2. Plumsted Township will only enter a bulk power supply agreement with a supplier if the price to the consumer is less than the regular retail price charged by the utility company**
- 3. All residents are automatically included in the program, but residents are also free to ‘opt out.’**
- 4. Businesses have to ‘opt in’ if they want to be part of the program**

The delivery or distribution of energy remains as it is today, through your existing regulated utility company (JCP&L)



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Community Energy Aggregation

Energy procurement on the open market

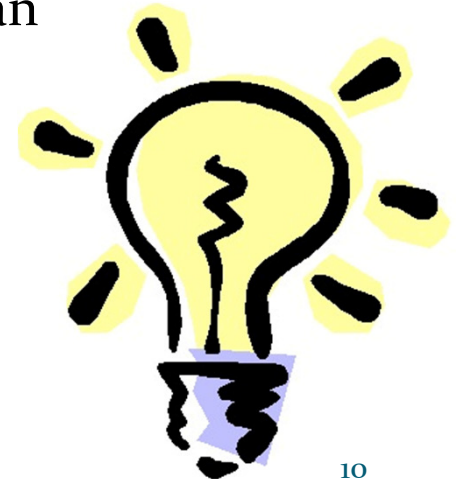
- **Lower** energy costs
- **Better** price stability
- **Consider** renewable energy content of supply mix
- **Control** over the community's energy future



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Next Steps in the program

1. Gabel Associates & CALL are currently working with the NJ Board of Public Utilities, your local utility and the NJ Rate Counsel regarding the wording of program documents
2. A request for bids will be issued in the late summer/early fall to Third Party Suppliers to procure pricing for bulk electric supply
3. As a resident or business owner, you will receive a future mailing with instructions to opt-in, if you are a business, and an option to opt-out if you are a resident.



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What action, if any, do I need to take?

1. As a resident currently being served by JCP&L, **you do not need to take any action** in order to be automatically included in the program.
2. Any resident that does not want to join this program will have the opportunity to “opt-out”
3. If you are a business, **you will need to “opt in” to the program.** **There will be a 30-day window for business customers to “opt in”** that will be announced in July.
4. If you are *already* purchasing energy through a third party supplier, you will be given the opportunity to join the PCEA at the end of your existing contract with your present supplier.



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Q & A **—and Thank You!**

**For more information visit www.PMUA.net
or contact Peter Ylvisaker at
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