



Plumsted Community Energy Aggregation

PCEA Round 3 Program Announcement!

The Township of Plumsted is excited to announce another Plumsted Community Energy Aggregation program (PCEA Round 3). After successfully saving residents over \$1.1 million in electricity costs during the first and second rounds of the Program, Plumsted decided to issue another solicitation for the third round of savings through the Community Energy Aggregation Program.

The PCEA Round 2, with service from Verde Energy, USA, ended in November 2015, at which time customers were returned to JCP&L's tariff for the supply portion of the electric bill. The Township is now pleased to inform you that a successful new contract has been awarded to the low bidder, TriEagle Energy. TriEagle is a licensed retail electric supplier for over 10 years and is currently serving nearly 65,000 residential aggregation customers in New Jersey.

TriEagle Energy will supply power to PCEA Round 3 participants for a 21-month contract beginning in March 2016 at a non-variable price of \$0.08752/kwh for the first 3 months and \$0.09065 per kwh for the remaining 18 months of the contract. The contract is expected to save the typical Township resident about \$14 per month, or nearly \$300 over the contract term, with no change to the level of service. Aggregate savings for Township residents that participate in the PCEA program are estimated to be nearly \$800 thousand from March 2016 through December 2017.

The Township is pleased to provide you with this opportunity to continue to save money on your energy costs. Please keep an eye out for specific information and mailings regarding the PCEA program leading up to the programs implementation in March 2016.

Here are answers to some frequently asked questions about the program. . .

➤ **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 hired and collaborated with its Energy Consultant, Gabel Associates, to implement a successful procurement process and to evaluate and select a third party supplier that will provide power supply to its residents.

➤ Who is Gabel Associates?

Gabel Associates is a registered Energy Consultant that has been retained by Plumsted in 2012 to administer and implement the PCEA program(s). The firm has helped pioneer energy procurement in New Jersey and has been supporting large scale aggregations (like this one) for over 15 years. We 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!

➤ Who is TriEagle Energy?

TriEagle Energy has been a retail electric power supplier for more than 10 years, and has served residential customers in New Jersey since 2013. Today, TriEagle serves more than 65,000 residential aggregation meters state-wide.

TriEagle Energy can be contacted as follows:

TriEagle Energy (BPU License # ESL-0134)
Toll Free Telephone Number: (877)-933-2453
Website: www.trieagleenergy.com
Address: 2620 Technology Forest Dr., The Woodlands, TX 77381
Email Address: customercare@trieagleenergy.com

➤ How does the PCEA Program work?

The Township, with the assistance of Gabel Associates, issued a third competitive bid process in late 2015 following strict competitive contracting laws in an effort to select a Third Party Supplier (“TPS”) of electricity at a non-variable rate¹ below the average JCP&L price (or BGS tariff price).

All residents who are not shopping independently are automatically included in the PCEA Round 3 program and were sent a notice in the mail in January 2016. This notice, known as the Opt-Out Notice, provided all the details of the program as well as the various ways to opt-out of the program, including TriEagle’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, residents who do not opt-out of the program are enrolled by the winning supplier.

Even after an electric account is enrolled, residents are free to opt-out of the program at

¹ Supplier can only adjust the contract price if there is a Change in Law affecting power supply prices that also impacts the JCP&L power supply tariff price, such that the percent of savings will remain. You will be notified of any such change, and maintain your ability to opt-out.

any time during the contract! Participation in the PCEA Program is 100% optional! There are no any fees or penalties if you decide to opt-out.

Customers that have their own, independent TPS contracts are given the option to join the PCEA Round 3 program.

➤ **Will I receive two bills?**

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.

You may recall from Round 1 and 2 of the PCEA Program that 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 TriEagle Energy will appear on your JCP&L bill in place of the BGS tariff charges for power supply. JCP&L delivery charges will remain the same.

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.

Importantly, the delivery and distribution of electricity under this program will continue to remain 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.

➤ **Can I Opt-In to the PCEA Program?**

Yes. Residents who have their own third party supply contract, but would like to join the PCEA program, are 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. Some third party suppliers have automatic "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 contact TriEagle Energy to opt-in.

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 Provided Below.

➤ **Will I be able to keep my budget billing (or equalized payment plan)?**

The Township required TriEagle 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, 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, TriEagle Energy, or Gabel Associates (contact information below) 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 will receive 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 will be 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?**

LIHEAP (Low Income Home Energy Assistance Program) is a federally funded program, administered by the Dept. 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 a number of factors tied to income. Bill credits of up to \$225 are provided to assist eligible customers with electric and gas utility bills. The PCEA will provide consolidated billing through the utility; as such the bill credits would be unaffected.

➤ **Where can I get more information or answers to additional questions?**

You can contact Gabel Associates, the Township's Energy Consultant at 1-855-365-0770 or by email at PCEA-info@gabelassociates.com.