

Borough of Glen Ridge  
Sustainable Essex Alliance  
Renewable Government Energy Aggregation  
Program  
(SEA R-GEA)  
Round 2

Public Information Session  
February 16, 2021

Consultants:  
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[www.gabelassociates.com](http://www.gabelassociates.com)



# Community Energy Aggregation: What is It?

- Implemented under the Government Energy Aggregation (GEA) law and Board of Public Utilities (BPU) rules. GEA allows 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.
- A municipality first passes an ordinance to establish a Community Energy Aggregation Program.
- Once an ordinance is passed, a municipality can implement a GEA program on its own, or join together with other municipalities to form a larger cooperative purchasing group.
- Municipalities must conduct a public, competitive bid process. Draft bid documents are submitted to the BPU and Division of Rate Counsel for review, to assure compliance with the BPU's rules.

# SEA R-GEA: Background

- The Borough passed necessary ordinance and a subsequent resolution in April 2018 joining the Sustainable Essex Alliance or 'SEA,' a purchasing cooperative also composed of Verona, Montclair, South Orange, and Maplewood, thereby creating additional purchasing power during the bid process.
- Round 1 of the SEA started with competitive bid in March 2019, resulting in an award of a contract to the low bidder, Direct Energy, for 17-month term July 2019-December 2020, for power supply with a lower price and higher renewable energy content as compared to power supply provided under PSE&G Basic Generation Service tariff.
- The Township of Livingston and The Borough of Glen Rock joined the SEA in 2020, bringing participating municipality count to seven, thereby creating additional purchasing power.
- The current RFP was issued in August 2020 for Round 2 contract. Unfavorable market conditions resulted in no contract award. All program participants in SEA R-GEA towns returned to PSE&G for power supply at end of Round 1 contract in December 2020.

# SEA R-GEA: Round 2

## Bid Results

- Refreshed pricing accepted in November, requesting suppliers to bid to provide electricity for Borough residents with an enhanced renewable energy content.
- Competitive proposals were received 11/4/20. Proposal from Energy Harbor, LLC (Energy Harbor), for a 17-month contract beginning April 2021 with 40% renewable energy content, was selected as providing most overall value by Borough.
- 40% renewable energy content (compared to the current State-required renewable energy content of about 23.5%) for the SEA consists of:
  - about 5% in-State NJ solar RECs
  - about 35% regional renewable (primarily wind) RECs
- The contract price: \$.12696/kwh. Even with monthly fluctuations in the PSE&G tariff price, and enhanced renewable content, SEA contract is projected to save the typical resident approximately \$20 versus the PSE&G BGS tariff price over the contract term.
- Program includes a voluntary 100% renewable product. For a \$.00741/kWh price premium, residents may elect to purchase 100% renewable energy sourced from the regional grid. Contract price for this 'opt-up' product is: \$.13437/kwh.

# Benefits of the SEA Program

- Aggregate purchasing power creates competition that provides residents access to power supply with substantially higher renewable energy content at a price that is competitive with default power supply.
- Program renewable energy content is nearly double that of PSE&G supply.
- Consumer Protections:
  - Borough able to manage risk by designing the contract and bid specifications to protect consumers
  - Contract terms are reviewed by the 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
  - Contract allows residents to opt-out and switch back to PSE&G power supply or another third-party supplier at any time without penalty or fees

# Benefits of the SEA Program (cont'd)

- ▶ Transparency: customers are fully informed of price, power supply content and terms and conditions.
- Customer Choice
  - Customers may opt out at any time (at beginning prior to enrollment or any time during contract) with no exit fee.
- No Hassle
  - Third party supplier charge shows up directly on PSE&G bill.
- Local purchasing
  - Currently the utility, through a wholesale auction overseen by the State, selects the contract length, supplier and the renewable energy content for residential accounts.
  - SEA program allows the municipality to shop on behalf of the residents and to customize the product and contract terms.

# SEA Program: Building on Past Success and Blazing New Trails

- Dozens of municipalities across NJ have explored and implemented GEA programs since 2012. The vast majority of towns that have implemented a GEA program have moved forward to continue the program after the first contract expired.
- It is estimated that the SEA Round 1 contract saved SEA-participating residents about 2 million dollars in aggregate.
- The SEA Round 2 program is anticipated to provide additional savings for participating residents, while also providing enhanced renewable energy content.
- Glen Ridge was one of the first communities in the State to embrace an enhanced renewable energy content within its Community Energy Aggregation program.
- The voluntary 100% renewable 'opt-up' product is highly competitive versus marketplace offerings, with the added benefit that the renewable energy is sourced from wind power in the regional power grid.

# Who is Energy Harbor?

- Electric power supplier licensed by NJ Board of Public Utilities. Currently active in the state of NJ and throughout North America; one of North America's largest retail energy suppliers, serving over 700,000 residential customers.
- Currently serving about 500,000 residential accounts in OH, IL, and NJ through energy aggregation programs like the SEA. Recently expanded into the NJ aggregation market; in addition to the SEA program, is currently providing enhanced renewable energy power supply to Piscataway and Plainsboro residents under R-GEA programs in those towns.
- For questions regarding SEA, to opt-out, or if you did not receive the Notification Letter and wish to become a SEA program participant, you can reach Energy Harbor in the following manners:
  - Call toll-free at: 1-866-636-3749
  - Email to: [firstchoice@energyharbor.com](mailto:firstchoice@energyharbor.com)
  - Or visit their aggregation website at: [energyharbor.com/en/community-programs/find-your-program](http://energyharbor.com/en/community-programs/find-your-program)



# Who is Gabel Associates?

- Gabel Associates is an independent energy consulting firm and State-registered energy agent hired by the Borough to assist with the implementation of the SEA program. The consultant has no affiliation with any retail energy supplier.
- Gabel works for the Borough to impartially assist with the implementation of the competitive bid process for energy supply and selection of the winning bidder.
- If you have any questions regarding the SEA, to opt-out, or if you did not receive the Notification Letter and wish to become a SEA program participant, you can contact Gabel Associates for assistance in the following manners:
  - ▶ Call toll-free at: 855-365-0770
  - ▶ Website: [gabelassociates.com/GEA](http://gabelassociates.com/GEA)
  - ▶ Email to: [SEA-info@gabelassociates.com](mailto:SEA-info@gabelassociates.com)





# Overview of SEA: If You Decide to Opt-Out

- All residents included in the initial eligibility list have the option to ‘Opt-Out’ of the program. The “Opt-out” process is fast and easy:
  - Sign and return “opt-out” card in the mail
  - Call Energy Harbor’s toll-free program phone number: 1-866-636-3749
  - E-mail Energy Harbor’s SEA email address: [firstchoice@energyharbor.com](mailto:firstchoice@energyharbor.com)
  - Visit Gabel’s website: [gabelassociates.com/GEA](http://gabelassociates.com/GEA) (case sensitive)
  - Email Gabel’s helpdesk: [SEA-info@gabelassociates.com](mailto:SEA-info@gabelassociates.com)
- The initial opt-out period concludes on March 7th, 2021. Residents who opt-out by March 7<sup>th</sup> will not be enrolled in the program.
- After the 30-day opt-out period ends on March 7th, Energy Harbor will begin enrolling residents for service beginning with your April 2020 meter read date. This will be reflected on the PSE&G bill you receive in May.

# Overview of SEA:

## What Happens After the Initial 30-Day Opt-Out Period?

- ❖ If you do not opt-out by March 7<sup>th</sup> and your account is enrolled by Energy Harbor, for the April 2021 meter read date, you will receive a separate notice from PSE&G in mid-March 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 during the contract without penalty or termination fee.

# Overview of SEA:

## Residents Removed from the Initial Pool of Eligible Customers

- Residents with existing third-party supply contract or existing solar were excluded from the initial eligibility pool and did not receive the mailing.
- May still participate in the program, by deciding to 'opt-in' to SEA, *however:*
- Customers with their own third party supply contract are urged to first:
  - compare prices and renewable energy content
  - carefully read their existing contract language to check for early termination fees (unlike the SEA program which prohibits termination fees, some third-party supply contracts include provisions for early termination penalties).
- Customers with solar panels urged to first review their PSE&G bills and/or discuss with their solar vendor whether their solar system does or will rely upon net-metering and banking of monthly 'over-production.' If so, you are likely better off remaining on PSE&G supply rather than participating in the SEA or having any other third-party supply contract.

# SEA Program: Anticipated Timeline

Below you'll find an SEA timeline with important dates to remember:

Sustainable Essex R-GEA Timeline		
Tuesday, February 16, 2021		
Action Item		Actual/Tentative Dates
1	Bid Award	Wednesday, November 4, 2020
2	Opt-Out Packages Mailed	Friday, February 5, 2021
3	Public Information Session	Tuesday, February 16, 2021
4	30 Day Opt-Out Period Ends	Sunday, March 7, 2021
5	Enrollment Notification Letter Mailed by PSE&G	Mid-March 2021
6	Service Commences	April 2021 MRDs
7	Service Concludes	September 2022

# Community Energy Aggregation Recap/Facts

- All residents (except those who currently have a third-party supplier or who have an installed solar system) are automatically included in the SEA program, subject to an open-ended ability to opt-out.
- SEA provides 40% renewable energy content (nearly double the current renewable content of PSE&G supply), at a price that is lower than the current average PSE&G tariff 'price-to-compare.'
- Even with monthly fluctuations in the PSE&G net price-to-compare, SEA is estimated to save the typical Borough resident about \$20 over the 17-month contract term.
- Residents may opt out at any time without penalty and will be removed from the program. If you opt-out by March 7<sup>th</sup> you will be removed from the eligibility list and will not be enrolled. Opt-outs occurring after March 7<sup>th</sup> will take effect at the next available PSE&G meter read date.
- The contract price is 'non-variable.' Supplier cannot vary prices monthly, adjust prices for changed market conditions, or change the rate after an initial 'teaser' period.

# Reading Your PSE&G Bill

- ▶ Your PSE&G Bill is split up into two portions: Delivery Charges and Supply Charges.
- ▶ For SEA-Round 2 participants, charges from Energy Harbor will replace the supply line item charges for power supply on your bill
- ▶ In order to opt-in or out through any one of the available means, we ask that residents have readied their PoD ID number, a unique identifier which allows us to enroll or unenroll an account with the supplier.
- ▶ The PoD ID number can be found on the right side of the portion of your bill which reads Details of your electricity charges.
- ▶ All PoD ID numbers begin with the letters 'PE' and have a total of 20 digits



# Community Energy Aggregation Recap/Facts (Cont'd)

- The price will remain unchanged for the full contract term.
- 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 at 800-436-7734 (PSEG).
- 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. There will be no effect on financial assistance received (LIHEAP, etc.) on PSE&G bills.**

**Example PSE&G Bill** – the current Delivery price charged by PSE&G will always appear. The charges of SEA's supplier Energy Harbor will appear below, replacing PSE&G Supply charges



## Details of your electric charges

Your rate: *Residential Service (RS)*

Meter # 127 [REDACTED]	Usage
Actual reading Mar 18, 2019	48979
<i>Less</i> Actual reading Feb 14, 2019	48152
<b>Total electric you used in 32 days</b>	<b>827 kWh</b>

### Delivery charges

Monthly service charge		\$4.95
Charges for delivering electric to you:		
kWh charges		
For the first	600 kWh x \$0.039983	\$23.99
For the next	227 kWh x \$0.040000	\$9.08
<b>Total electric delivery charges</b>		<b>\$38.02</b>

### Supply charges

Cost of electric supplied by PSE&G:

Charges		
For the first	263 kWh x \$0.139772	\$36.76
For the next	98 kWh x \$0.139796	\$13.70
For the next	338 kWh x \$0.129734	\$43.85
For the next	128 kWh x \$0.129766	\$16.61
<b>Total electric supply charges</b>		<b>\$110.92</b>



**Total electric charges**

**\$148.94**

### Explaining electric charges

We charge for the electric you use in kilowatt hours (kWh). 1 kilowatt is equal to 1,000 watts.



If you used a 100 watt light bulb, it would take 10 hours of use to equal to 1 kWh of energy.

### Price to compare

If you want to consider getting your electric supply from another supplier, compare their price with ours. This month, your cost for energy supply is \$110.92 (or an average of 0.134123 per kWh). This price to compare varies month to month, depending on your usage.

**Your PoD ID is: PE0000089635 [REDACTED]** – Your PoD ID is your Point of Delivery identification within PSE&G's system. You will need this number if you are considering enrolling with another supplier.

# Thank You

# Questions?

Visit Borough's SEA Round 2 program link on the  
Borough's website at:  
[glenridgenj.org](http://glenridgenj.org)  
for more information.