

Sustainable Essex Alliance  
Renewable Government Energy Aggregation  
(SEA R-GEA)

Public Information Session  
for the Borough of Glen Ridge  
May 7, 2019



Consultants:  
Gabel Associates, Inc.  
[www.gabelassociates.com](http://www.gabelassociates.com)

# Government Energy Aggregation: How does it work?

- 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.
- Municipality first must pass an ordinance to establish a Government Energy Aggregation Program. Ordinance passed by Borough in April 2018.
- Borough passed an resolution later in 2018 joining the Sustainable Essex Alliance or ‘SEA’ (a purchasing cooperative including Maplewood, Montclair, South Orange and Verona, in addition to Millburn) thereby creating additional purchasing power.
- Municipalities must conduct a public, competitive bid process. Draft bid documents submitted to the BPU and Division of Rate Counsel for review, to assure compliance with the BPU’s rules.
- Request for Proposals (RFP) issued in March 2019. Prices accepted in April 2019.

# SEA R-GEA Program: Bid Result

- Competitive proposals received 4/2/19. Proposal from Direct Energy Services (Direct Energy), for a 17-month contract beginning July 2019, with over 40% renewable energy content, selected as providing most overall value.
- ~41% renewable energy content (compared to the current State-required renewable energy content of about 21%) for the SEA consists of:
  - about 5% in-State NJ solar RECs
  - about 36% regional renewable (primarily wind) RECs
- The contract price: \$.11005/kwh. Over 10% below average prevailing PSE&G tariff supply price at time of the contract award. Even with anticipated drops and monthly fluctuations in the PSE&G tariff price, and 41% renewable content, SEA contract projected to save the typical resident about \$150 over the 17-month contract term as compared to the average PSE&G BGS tariff supply price over that period.

# Benefits of the SEA Energy Program

- Aggregate purchasing power creates competition that provides residents access to power supply with substantially higher renewable energy content at a price that is lower than the average default power supply tariff price.
- ~41% renewable energy content vs. current 21% content 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 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 R-GEA 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 on PSE&G bill- no change
- Local purchasing
  - Currently the utility, through a wholesale auction overseen by the State, selects the contract length, supplier and the energy content for residential accounts.
  - A GEA program allows municipalities in association with one another to shop on behalf of the residents and to customize the product and contract terms (including enhanced renewable energy content).

# SEA R-GEA 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.
- The SEA R-GEA program will provide savings for participating residents, and is one of the first GEA contract awards in the State with enhanced renewable energy content; SEA R-GEA program is the largest New Jersey program to date to award a contract with a mandatory renewable component.

# Who is Direct Energy Services?

- Licensed electric power supplier that has been in business for nearly 20 years, is active in the state and throughout North America. One of North America's largest retail energy suppliers, serving over 4 million customers in total, including more than 1 million residential customers and thousands of customers in NJ.
- Currently serving about 130,000 residential energy aggregation accounts in MA. Previously served residential energy aggregation programs in IL and OH. Recently expanded in the NJ aggregation market; in addition to the Essex program, has recently been awarded contracts to serve 3 New Jersey municipalities in addition to the 5 member Sustainable Essex member municipalities.
- For questions regarding SEA R-GEA, to opt-out, or if you did not receive the Notification Letter and wish to become a SEA program participant, you can reach Direct Energy in the following manners:
  - Call toll-free at: 1-866-968-8065
  - Email to: [sea@directenergy.com](mailto:sea@directenergy.com)
- Or visit their aggregation website at: [www.directenergy.com/aggregations](http://www.directenergy.com/aggregations)



# Who is Gabel Associates?

- Gabel Associates is an independent energy consulting firm and State-registered energy agent hired by the Sustainable Essex Alliance to assist with the implementation of the SEA R-GEA program.
- Not affiliated with any retail energy supplier. Gabel works for the SEA municipalities, 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 residents and assist with opt-outs or opt-ins.
- If you have any questions regarding the SEA R-GEA, 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 R-GEA Program: How does it work?

- On May 1st, Notification Package mailed by Direct Energy to all PSE&G residential customers in the Borough except: 1) already on 3<sup>rd</sup> party supply; 2) existing solar panel system on home; 3) residents who requested to be placed on a 'Do Not Disturb' list.
- The Notification Package includes a short introductory letter, a Program Summary table, and a 1-page FAQs. The package also includes an 'opt-out' card and business reply envelope.



Borough of Glen Ridge  
Sustainable Essex Alliance Renewable-GEA (SEA R-GEA)  
Program Announcement

**Dear Glen Ridge Borough Resident:**

In 2018 the Borough of Glen Ridge, together with neighboring Essex County communities Maplewood, Montclair, South Orange and Verona came together to form the Sustainable Essex Alliance Energy Procurement Cooperatives (SEAPCs), a joint purchasing initiative with the goal of using bulk purchasing power to procure electric power supply on behalf of Borough residents at a lower price, and with a higher renewable content, than power supplied by PSE&G. This program has been named the Sustainable Essex Alliance Renewable Government Energy Aggregation ("SEA R-GEA"). In April 2019, Glen Ridge and fellow participating municipalities selected proposals from competing suppliers in the hopes of awarding a beneficial contract to their residents.

We are pleased to inform you that, as a result of a recent competitive bid process, a contract was awarded to the Direct Energy Services, for a 17-month contract beginning in July 2019 for residents of Glen Ridge as well as residents of the other participating Essex County municipalities listed above, who are located in PSE&G territory. A new contract with Direct Energy Services will provide electric supply that has approximately double the renewable content of standard energy supply currently provided by PSE&G, at a price that is more than 10% lower than current tariff price being paid by those residents currently receiving supply through PSE&G. Even with an expected drop in PSE&G tariff prices later this year the contract is projected to save the typical participating resident about 21 over the 17-month contract term, with a substantially higher renewable energy content, and with no change to level of service.

Direct Energy Services is an electric supplier licensed by the State of New Jersey, has been in business for nearly years, and has experience serving tens of thousands of residential customers through energy aggregation programs like the SEA R-GEA. If you do not wish to participate in the SEA R-GEA program for any reason, you are welcome opt-out by following the instructions provided in the Program Summary on the reverse side of this Notice. If you opt out of the SEA R-GEA program, you will also receive a notification from PSE&G in June that your account being enrolled with the new SEA R-GEA supplier, Direct Energy Services, effective with the July 2019 meter read.

For residents seeking additional information, the Borough has scheduled a public information session taking place at 7:30 p.m. on Tuesday, May 7, 2019 at the Glen Ridge Municipal Building, located at 8 Bloudfield Ave. Glen Ridge, NJ. Further information about the program can also be found on the Borough website.

If you have specific questions about the program and are unable to attend the Public Information Session, you can reach out directly via telephone or email to the Borough's energy consultant, Gabriel Associates, or to Direct Energy Services, who have the expertise and resources to help you and whose contact information is provided in enclosed program materials.

The energy aggregation program is only for the energy supply portion of your electric service. The delivery portion will continue to be provided by PSE&G at regulated rates and PSE&G will continue to provide all emergency safety services. PSE&G will also continue to provide customer services such as meter readings, billing and service restoration. If you are on a PSE&G budget billing plan, you will continue to receive that service. Please take the time to read the enclosed materials and familiarize yourself with this program.

Sustainable Essex Alliance Renewable Government Energy Aggregation (SEA R-GEA) Program Summary	
Direct Energy Services Information:	Direct Energy Services, LLC (BPU License # ESL-0078) Toll Free Telephone Number: 1-866-968-8965 Website: <a href="http://directenergy.com/aggregation">directenergy.com/aggregation</a> Address: P.O. Box 180, Tulsa, OK 74101 Email Address: <a href="mailto:sea@directenergy.com">sea@directenergy.com</a>
Price Structure:	Non-Volatile Price*
Generation/Supply Price:	\$0.11005 per kilowatt-hour (kWh)
Statement Regarding Savings:	The contract supply price is more than 10% below the current average PSE&G tariff supply price. With anticipated reductions in the PSE&G tariff price later this year, projected savings for the typical participating resident are estimated at about \$10 over the contract term versus the average PSE&G tariff price-to-compare. For budget billing details, see footnote below. <sup>2</sup>
Amount of Time Required to Change Back to Default Service or Another TSE:	The request to switch out of the SEA R-GEA program will become effective on the next available meter read date in accordance with processes implemented by PSE&G
Incentives:	Power supply for all participating residents includes about 41% renewable energy, nearly double the renewable content provided by PSE&G through its default supply option. You will be automatically enrolled in the SEA R-GEA program unless you submit an "opt-out" request during the 30-day opt-out period, which ends May 30, 2019. If you choose to "opt out", please sign and return the enclosed postage-paid card, call Direct Energy toll free at 1-866-968-8968 or email <a href="mailto:sea@directenergy.com">sea@directenergy.com</a> by May 30, 2019. If you do not opt out by May 30, 2019 you will be enrolled; however, you may still leave the SEA R-GEA program at any time thereafter. You may also opt out through the SEA R-GEA Energy Consultant at <a href="http://www.renewableenergy.com/SEA">www.renewableenergy.com/SEA</a> or <a href="http://sea.optout@directenergy.com">sea.optout@directenergy.com</a> .
Right to Opt Out / Rescind / Cancel:	
Program Start Date:	Service will begin with your July 2019 meter read date
Program Term Length:	17 months, until your December 2020 meter read date
Cancellation/Early Termination Fees:	None. You can opt out at any time, with no penalty or cancellation fee
Renewal Terms:	No automatic roll-over or renewal. If a new contract is awarded for the SEA R-GEA, you will be notified, provided a new Program Summary, and will again be given the opportunity to participate in the program or opt out. If no new contract is awarded, program participants will be returned to PSE&G supply service in December 2020
PSE&G Contact Information:	Toll Free Telephone Number: (800)-436-7734

For more information in Spanish or favor ítem a este número: 1-866-968-8965

Residents receiving this notice who are outside the geographic boundaries of Glen Ridge, or the other SEA R-GEA participating municipalities (Maplewood, Montclair, South Orange or Verona), please contact Direct Energy to be removed from the program. Glen Ridge residents who do not receive this notice are permitted to join the program any time.



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 pool together residents and conduct a Community Energy Aggregation. The program is conducted under the oversight of the New Jersey Board of Public Utilities, the Division of Rate Control and the Department of Community Affairs. Glen Ridge, along with neighboring Essex County municipalities Maplewood, Montclair, South Orange and Verona, have joined together into a single purchasing cooperative, which has been named the Sustainable Essex Alliance (SEA).

**Who has been selected as the SEA program supplier for residents in the PSE&G service territory?**  
Direct Energy Services was selected as the SEA program supplier for residents in the PSE&G service territory in a public, competitive procurement. Direct Energy Services is an electric power supplier licensed by the New Jersey Board of Public Utilities.

**When does the program start and how long will it last?**  
The program will begin with the July 2019 meter read date and will continue for 17 months – until December 2020.

**How does the SEA program contract price compare to the PSE&G tariff price for electricity supply?**  
The price of SE (1000 or More-hour (WH)) is more than 10% below the current average PSE&G tariff price for electricity supply. Even with expected drops in the PSE&G tariff price later this year, the average expected Glen Ridge and the other SEA participating municipalities is still projected to save about \$10 over the 17-month contract term versus the average PSE&G tariff price-to-compare. For budget billing details, see footnote below.<sup>2</sup>

**Does the price vary to meet market conditions?**  
No. This is a non-volatile price that does not change with market conditions. Unlike some third-party supply contracts, the price is locked in through a contract with the SEA and will not fluctuate after an initial "meter period". The contract price can only change if there is a Change in Law that actually affects the price of PSE&G power supply, such that even after such a price adjustment the savings as compared to the PSE&G tariff price is maintained. Any such Change in Law price adjustment would be subject to review and approval by the SEA to ensure that the savings are not adversely impacted.

**If I participate in the program, how does that affect my utility bill and service?**  
Your PSE&G bill includes separate charges for delivery service and for power supply service. In a Rate Generation Service, PSE&G will still provide delivery service and read your meter, and you will still receive a single bill from PSE&G which will continue to include the PSE&G delivery charges, but the utility Rate Generation Service charges for power supply will be replaced by the charges owed by the SEA's chosen supplier, Direct Energy Services. Even if you participate in the program, PSE&G will still be responsible for service reliability and restoration.

**Is participation mandatory?**  
No. This is a non-volatile price that does not change with market conditions. Residents who do not currently have a third-party supply contract (i.e., take power supply service from PSE&G under a contract) may opt out of the program. Residents who do not currently have a third-party supply contract (i.e., take power supply service from PSE&G under a contract) may opt out of the program. If you opt out within the 30-day opt-out period (by May 30, 2019), you will not be enrolled in the program. If you do not opt out by May 30, 2019, you will be enrolled; however, you may still leave the SEA R-GEA program at any time thereafter.

**Will I receive any other notification?**  
Yes. If you do not opt out of the program, several weeks after receipt of this information Package you will receive a notification letter from PSE&G indicating that Direct Energy Services has enrolled your account for electricity supply and starting on the date you will be enrolled to Direct Energy Services. This is a 30-day notification to inform you of the program and to give you the opportunity to opt out of the program.

**Will I be required to provide information to a third-party supplier for enrollment in this program?**  
No. This program does not include any door-to-door solicitation. Direct Energy Services has the necessary information already, subject to some conditions. If you are selected by the program, please do not provide your information – alert the Borough, the SEA's energy consultant, or the SEA R-GEA program.

**What happens at the end of the SEA R-GEA contract with the supplier?**  
The SEA R-GEA contract with the supplier will be subject to a public, competitive bid for a new contract, and you will be advised of the new contract. If the SEA discontinues the program, you will simply be returned to PSE&G power supply at the PSE&G tariff price.

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

- All residents included in the initial eligibility list have the option to ‘Opt-Out’ of the program. “Opt-out” is fast and easy.
  - Sign and return “opt-out” card in the mail
  - Call Direct Energy’s toll-free program phone number: 1-866-968-8065
  - E-mail Direct Energy’s SEA email address:
    - [sea@directenergy.com](mailto:sea@directenergy.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 May 30, 2019. Residents that opt-out by May 30<sup>th</sup> will not be enrolled in the program.
- After May 30<sup>th</sup>, Direct Energy will begin enrolling residents for service beginning with your July 2019 meter read date. This will be reflected on the PSE&G bill you receive in August.

# Overview of SEA R-GEA: What Happens After the Initial 30-Day Opt- Out Period?

- ❖ If you do not opt-out by May 30<sup>th</sup> and your account is enrolled by Direct Energy, for the July 2019 meter read date, you will receive a separate notice from PSE&G in mid-June 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 R-GEA: 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 the SEA, *however:*
- Customers with their own third party supply contract are urged to first:
  - compare prices and renewable energy content
  - carefully read your 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 R-GEA Program: Anticipated Timeline

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

Sustainable Essex Alliance Timeline		
Tuesday, May 7, 2019		
	Action Item	Actual/Tentative Dates
1	Bid Award	Tuesday, April 2, 2019
2	Opt-Out Packages Mailed	Wednesday, May 1, 2019
3	Public Information Session	Tuesday, May 7, 2019
4	30 Day Opt-Out Period Ends	Thursday, May 30, 2019
5	Enrollment Notification Letter Mailed by PSE&G	mid-June 2019
6	Service Commences	Mid-July
7	Service Concludes	December 2020

# Government 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 R-GEA program, subject to an open-ended ability to opt-out.
- SEA provides ~41% renewable energy content (compared to current 21% renewable content of PSE&G supply), at a price that is more that 10% lower than the prevailing PSE&G tariff 'price-to-compare' at the time of contract award.
- Even with anticipated drops and monthly fluctuations in the PSE&G tariff price, SEA is projected to save the typical Borough resident about \$150 over the 17-month contract term compared to the average PSE&G tariff supply price over that term.
- Residents may opt out at any time without penalty and will be removed from the program. If you opt-out by May 30th you will be removed from the eligibility list and will not be enrolled. Opt-outs occurring after May 30<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.

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

- The price will remain unchanged for the full contract term. The only exception is a one-time contract price adjustment resulting from a change in law that also affects the cost of power supply provided by PSE&G, in which case the contract price adjustment will not adversely impact the level of savings as compared to the PSE&G tariff price for power supply.
- 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.**
- **There will be no effect on any appliance repair contracts with the utility.**

# Reading Your PSE&G Bill

- ▶ Your PSE&G Bill is split up into two portions: Delivery Charges and Supply Charges.
- ▶ Charges from Direct Energy Service will replace the portion of your bill that reads Supply Charges.
- ▶ 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



**Example PSE&G Bill** – the current Delivery price charged by PSE&G will always appear. The charges of SEA’s supplier Direct Energy Services 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 the SEA R-GEA program link  
on the Borough's website at:  
<https://glenridgenj.org>  
for more information.