

longer.

According to data from the Department of Homeland Security,

## Township blazes path by flipping a switch

Plumsted benefits from  
changing power provider

By Alexi Friedman  
STAR-LEDGER STAFF

Plumsted Township, known for its farms, horse ranches and sprawling military base, is now also a trailblazer in the energy market.

This year, the Ocean County community of 8,400 became the first municipality in New Jersey to contract its electric power supply with a third-party provider, switching from Jersey Central Power & Light to Con Edison Solutions.

The subtle but significant change means Plumsted residents have been saving a few extra dollars on their electric bills each month, at no cost to the township, said Mayor Dave Leutwyler. Falling energy prices enabled Plumsted to take advantage of a decade-old state law allowing municipalities to handle bulk purchases of power supply for their customers.

Much has remained the same about a homeowner's monthly bill, which is still sent from JCP&L, the state's second largest electric company. JCP&L still delivers the power, maintains the infrastructure and responds to outages and emergencies.

The only difference in the bill is the section labeled Supply Charge, which now falls under "Con Edison Solutions," and appears as a separate bill for kilowatt hours used.

Con Ed can charge less because it isn't bound by the same regulations New Jersey imposes on its four utilities, including JCP&L.

Plumsted's move affects only the township's residential electric customers, who will save about 15 percent compared with JCP&L's supply charges. That works out to an average savings of about \$165 a year per customer, Leutwyler said.

"In this economy, even a little more money in the pocket is a good thing," he said. The changeover was free, including the energy consultant, which Con Edison Solutions paid for, hired to steer the complicated process through.

The township signed a one-year contract with Con Edison Solutions — it began in January — and residents maintain the ability to opt out of the program at any time, said Robert Chilton, the energy consultant from Gabel Associates, which handled Plumsted's switch.

The move has attracted the attention of other communities in New Jersey, including nearby Toms River and several in Cumberland County, which are considering a group-purchasing agreement.

Toms River, with more than 10 times as many people as Plumsted, is expected to complete its own supply company change in the fall, officials said.

A dramatic drop in energy prices — caused in part by increased natural gas supply — created an opening for unregulated third-party suppliers, said Stefanie Brand, director of the New Jersey Division of the Rate Counsel. Those suppliers purchase energy on more volatile short-term markets, which have fallen faster than the longer-term guarantees that constrain utilities like JCP&L.

"That made it look good to municipalities," said Brand, the state's utility watchdog. The division supports the switch as long as rate-payers save money, she said. "We look at whether consumer protections are in place, make sure there are no hidden costs and that rates

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don't go up during the course of the contract."

Individual residents can also seek third-party providers, but the discount will generally be much lower.

So far, reaction to Plumsted's switch has been quiet acceptance, said Chilton, who is also working with Toms River to switch suppliers.

"Generally speaking, people are saving money and we haven't heard a groundswell of complaints," he said.

JCP&L doesn't earn a profit off its supply charges, and spokesman Ron Morano said the company takes no position on the switch.

"They're allowed to do it under New Jersey law," he said, referring to municipalities. Neither is Plumsted seeking to operate its own utility, something done by just nine municipalities in New Jersey.

But switching to a third-party provider remains a

complicated process, one that took Plumsted, which has just 2,500 homes, several months to complete.

A public hearing was held and plans were submitted to the state Board of Public Utilities and Rate Counsel for review. Any of New Jersey's 110 licensed third-party suppliers were then allowed to bid on the contract, and in October the township council approved the measure.

Officials in Toms River took notice, determining that residents of the township's 40,000 homes would save about 10 percent a month on their electric bills, said business administrator Paul Shives.

"There are very few decisions in municipal government that are this easy," he said. "At some point there will be less competition in the market and energy prices may go up. But right now, there is guaranteed savings, so it's a win-win."

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