

PRESS
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FOR IMMEDIATE RELEASE

September 12, 2013

Montgomery Energy Aggregation Contract Awarded

Six Suppliers Vy to Provide Residential Electricity

Savings of \$1.4 Million Anticipated

On September 5th Montgomery Township Committee voted to award a contract to ConEdison Solutions to provide power supply to Township residents beginning in December 2013. The contract is projected to save residents 8.5% on their electricity bills over the 24 month contract term as compared to that being charged by PSE&G for power supply. This equates to average annual savings of about \$110 for the typical residential customer and aggregate savings for Township residents of about \$1.4 Million. Township residents will continue to have power delivered and billed by PSE&G, but the power supply will come from ConEdison Solutions at the lower fixed price per kilowatt-hour.

The contract award is the result of the Montgomery Community Energy Aggregation (MCEA) Program launched by the Township Committee earlier this year. Mayor Trzaska expressed enthusiasm about the cost-saving effort, stating, "To provide our residents with \$1.4 million in energy cost savings is well beyond our expectations. For decades, federal and state regulators have artificially inflated the price of electricity. By using the free market and competitive bidding, we are shifting the balance in favor of our residents. Montgomery is working hard to help lessen the burden of taxes and hidden fees that are imposed on the public."

All Montgomery residents with PSE&G for electric supply and therefore not already being served under a third party supplier contract are eligible. All eligible residents will receive a mailing containing a program description and an 'opt-out' card for if they do not wish to participate. No action is necessary to enroll. Before they are enrolled residents will have a 30-day period to decide if they wish to 'opt-out' of the program. And, once enrolled, residents will be able to opt-out at any time without penalty. The program also provides for budget billing for those residents who are currently on an Equal Payment Plan with PSE&G.

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Deputy Mayor Pat Graham explained that “the program is a smart way to give residents more buying power by pooling together to reduce their electric bills. I am pleased that we can provide one more area of savings to Township residents.”

Gabel Associates, Inc., a State-registered energy agent, assisted the Township throughout the process of implementing the GEA program; administering the bid process in which eight power suppliers were rated on qualifications. ConEdison Solutions was the lowest bidder for residential customer service and provided an excellent qualifications package among six suppliers who submitted price proposals.

Here is what Montgomery residents who are currently with PSE&G for electric can expect going forward:

1. Program announcements and opt-out letters will be mailed out to all eligible Montgomery residents by late September and will give the price, length of contract, estimated savings, a toll-free number to call ConEdison Solutions with questions, instructions on how to opt-out, and a postage-paid opt-out form.
2. Residents will then have 30-days to respond to the letter if they wish to opt-out. After the 30 day window the customer accounts will be enrolled by ConEdison, the awarded supplier.
3. In addition to the mailings, the Township will hold an additional public informational meeting before the end of the 30-day opt-out period.
4. By the end of October all customers that did not opt-out will receive a second letter - an automated letter from PSE&G indicating that the customer has been switched. If the customer still chooses to participate in the program they do nothing and should disregard this letter.
5. Service with the new supplier will begin at their December meter read and the savings will be reflected in their January PSE&G bill.
6. PSE&G will still provide delivery service to the Township of Montgomery and will still issue a single bill for electricity to each residence. The PSE&G bill will include charges for delivery service, and a separate supply line item, as usual, but with rates from the new supplier.

Township residents who are NOT currently with PSE&G, meaning they have selected a third party supplier, can also participate in the MCEA program if they decide to terminate their existing third party contract. If residents on third party supply contracts decide to terminate their existing supplier contract, they can subsequently join the MCEA program via future supplemental opt-out mailings. Residents are advised to read the terms and conditions of their existing contracts carefully before deciding to terminate them.

The Township Committee also issued a competitive bid solicitation for businesses which opted in to the program by the deadline. Unfortunately a small pool resulted which weakens pricing competitiveness. The Township therefore did not award a contract for participating businesses and has decided to rebid the business accounts portion shortly. Unlike the residential program, where residents are free to opt-out, businesses within Montgomery Township must actively enroll themselves into the program. Many

businesses in Montgomery rent space, rather than own real estate, and therefore do not have control to choose their own electricity supplier.

The Government Energy Aggregation (GEA) Act of 2003 allows a municipality to undertake a bulk purchase of power supply for its residents, resulting in direct savings to residents on their electric bills. Montgomery is only the third community in New Jersey and the first community in PSE&G service territory to take advantage of GEA legislation and execute a power supply contract on behalf of its residents. Plumsted Township was the first to go forward last year, followed by Toms River Township. A number of other towns in PSE&G, including West Orange Township, are moving forward to follow Montgomery.

ConEdison Solutions is part of ConEdison, Inc., a public utility holding company that owns two utility companies in New York. ConEdison Solutions is licensed to provide competitive electricity products in 12 states, and serves over 260,000 residential and small commercial retail electric supply customers. ConEdison Solutions serves residential customers in five states (including New Jersey). ConEdison Solutions also has extensive experience specific to Government Energy Aggregation programs, including the first GEA in the State for Plumsted Township residents, and is currently serving approximately 143,000 residential GEA customers in Illinois, Massachusetts, and New Jersey.

When the contract ends in 24 months, if everything is found favorable, Montgomery Township Committee anticipates authorizing another bidding process to gain a new contract which will again capture the best pricing available at that time. Montgomery residents will find updated information about the current process posted on the Township website at www.montgomery.nj.us.

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