



# Montgomery Township Community Energy Aggregation

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## MCEA Round 2 Program Announcement!

The Township of Montgomery is excited to announce another Montgomery Community Energy Aggregation program (MCEA Round 2). After successfully saving residents nearly \$2 million in electricity costs during the first Program, Montgomery decided to issue another solicitation for the next round of savings through the Community Energy Aggregation Program.

The MCEA Round 1 ended in December 2015, at which time customers were returned to PSE&G's tariff for the supply portion of the electric bill. The Township is now pleased to inform you that, as a result of a competitive bid conducted in February 2016, a successful new contract has been awarded to the low bidder, TriEagle Energy. TriEagle is a licensed retail electric supplier that has been active in the State for several years and is currently serving nearly 65,000 residential aggregation customers in New Jersey.

TriEagle Energy will supply power to MCEA Round 2 participants for an 18-month contract beginning in June 2016 at a non-variable price of \$0.11217/kwh. This represents a savings of nearly 13% compared to the average PSE&G tariff price for power supply of \$0.129/kwh. The contract is expected to save the typical Township resident about \$300 over the 18-month contract term, with no change to the level of service. Aggregate savings for Township residents that participate in the MCEA program are estimated to be nearly \$2 million from June 2016 through December 2017.

Importantly, customers who previously opted-out of the MCEA Round 1 program are presumed to not wish to participate in the MCEA Round 2. The Township has worked to ensure that any such customers are not included in the opt-out notice mailing or enrollment by TriEagle Energy. However, customers who previously opted-out of the program are eligible to change their mind by simply opting-in to the MCEA Round 2 program during the 30 day opt-out period, which ends **May 4, 2016**.

For residents seeking additional information, the Township has scheduled an **Information Session on April 14, 2016 at 6:30 p.m.** to be held in the courtroom at the Municipal Building located at 2261 Route 206. The Township's energy consultant, Gabel Associates, will make a presentation and will then open up the session to questions from residents.

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

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

## ➤ **What is Community Energy Aggregation?**

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**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 Montgomery 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?**

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Gabel Associates is a registered Energy Consultant that has been retained by Montgomery to administer and implement the MCEA program. The firm has helped pioneer energy procurement in New Jersey and has been supporting large scale aggregations (like this one) for over 15 years. Gabel Associates was 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 numerous CEA programs in the State, many of which are in their second and third iterations. These programs have saved millions of dollars for New Jersey residents!

## ➤ **Who is TriEagle Energy?**

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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: <a href="http://www.trieagleenergy.com">www.trieagleenergy.com</a> Address: 2620 Technology Forest Dr., The Woodlands, TX 77381 Email Address: <a href="mailto:customercare@trieagleenergy.com">customercare@trieagleenergy.com</a>
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## ➤ **How does the MCEA Program work?**

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The Township, with the assistance of Gabel Associates, issued a competitive bid in early 2016 following strict competitive contracting laws in an effort to select a Third Party Supplier ("TPS") of electricity at a non-variable rate below the average PSE&G price (or BGS tariff price).

All residents who are not shopping independently - or who did not opt-out of the MCEA Round 1 - are automatically included in the MCEA Round 2 program and will receive a notice and list of frequently asked questions in the mail in early-April 2016. This notice, known as the Opt-Out Notice, provides 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 until May 4, 2016 to review the Opt-Out Notice and decide whether they wish to opt-out of the program. After **May 4, 2016**, 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 any time during the contract! Participation in the MCEA 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, or customers who previously opted-out of the MCEA Round 1 during the initial 30-day opt-out period have not been included, but are given the option to join the MCEA Round 2 program.

## ➤ **Will I receive two bills?**

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**No, you will always receive one bill from PSE&G.** The only thing that changes in the MCEA Program, or any CEA Program, is the cost of the electricity provided.

You may recall from Round 1 of the MCEA Program, under service with ConEdison Solutions, 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 MCEA 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 PSE&G bill in place of the BGS tariff charges for power supply. PSE&G delivery charges will remain the same.

The delivery portion will continue to be provided by PSE&G at regulated rates and PSE&G will continue to provide all emergency and safety services. PSE&G 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. PSE&G) that serves your home. The utility continues to handle your account, providing meter reading and billing, and addressing any power outages and maintaining service.**

➤ **Will TriEagle supply contain less renewable energy content than supply from PSE&G??**

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No. The Township required TriEagle supply to contain the same amount of renewable energy content as PSE&G per the State's Renewable Portfolio Standard (RPS). The RPS annually increases the amount of renewable energy content that power suppliers must contain in their electricity supply. At the start of the MCEA program, the RPS requires 10.485% of energy supply to be sourced from Class 1 renewables, 3.00% of energy supply to be sourced from Solar renewables and 2.5% from Class II renewables, bringing total renewable energy content to 15.985%. In June 2017, the RPS will increase the amount of Class I renewables to 12.325%, the amount of Solar renewable energy 3.20%, and the amount of energy supply to be sourced from Class II renewables will remain at 2.50%, bringing the total to 18.025% from June 2017 until the end of the MCEA contract.

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

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Yes. Residents who have their own third party supply contract, or previously opted out of the MCEA Round 1 program, but would like to join the MCEA program, are given the opportunity to join.

For customers who previously opted-out of the MCEA Round I program: It was presumed that customers who opted-out during the 30-day opt-out period for Round 1 do not wish to participate in the MCEA Round 2. The Township worked very hard to ensure that any such customers were not included in the opt-out notice mailing or enrollment by TriEagle Energy. However, customers who previously opted-out are eligible to change their mind and to opt-in to the MCEA Round 2 program during the 30 day opt-out period at the newly awarded contract price. Simply contact TriEagle Energy, let them know that you are a Montgomery Township resident and wish to opt-in.

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 MCEA. Please contact TriEagle Energy to opt-in.

Please note that, if you have an existing contract with a supplier not affiliated with the MCEA program, 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)?**

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The Township required TriEagle Energy to provide budget billing for their power supply charges to those customers that currently have such arrangements with PSE&G. PSE&G will continue to provide budget billing for their delivery charges. Therefore, the consolidated bill issued by PSE&G will continue to contain equalized payments.

Nonetheless, budget billing with PSE&G'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 PSE&G, 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?**

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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 law was changed to use an "opt-out" process 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?**

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Power outages are **not** under the control of the third party supplier. The delivery system is still under PSE&G's control, and there is no difference in delivery services whether you purchase the power supply from a third party supplier or from PSE&G under its tariff. In the event of an outage, you would still contact PSE&G.

### ➤ **What if I have a solar system?**

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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 MCEA program would be very minimal. It is for this reason that the Township elected to remove solar customers from the MCEA 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 PSE&G bill, you may consider opting-in to the MCEA program. You are encouraged to contact the selected supplier or PSE&G for further information.

➤ **Will the LIHEAP and Lifeline benefit programs for low income residents still apply if I participate in the MCEA?**

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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 MCEA 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 MCEA 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?**

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You can contact Gabel Associates, the Township's Energy Consultant at 1-[855-365-0770](tel:855-365-0770) or by email at [MCEA-info@gabelassociates.com](mailto:MCEA-info@gabelassociates.com).