

## **Winslow Township Government Energy Aggregation Program**

Below are some frequently asked questions and corresponding answers.

### **What is Government Energy Aggregation?**

The GEA program allows municipalities within the State of New Jersey to conduct a “bulk purchase” of energy supply on behalf of its residents and businesses. The law requires the rate to be lower than the utility rate, so residents are assured savings.

### **What is the legal foundation for the program?**

The New Jersey State Legislature approved the Government Energy Aggregation Act in 2003. The law was designed to ensure that the benefits of energy deregulation were passed on to residential customers and businesses.

The 2003 law gives communities in New Jersey the right to “aggregate” all of the residential and business accounts within their boundaries and obtain bids from third party suppliers.

### **If the law was passed in 2003, why is this being considered now in 2014?**

The original law required certain elements that proved too onerous for third party suppliers and municipalities. Recently, these elements were modified to provide a more efficient process.

### **How will my bill change?**

Your bill is comprised of two parts. One part is the supply portion of the bill. A resident has 3 choices for obtaining the supply for their electricity and natural gas in New Jersey:

1. The utility default tariff rate under its Basic Generation Service (“BGS”)
2. Third party supplier
3. GEA Program

The second part is the delivery portion of the bill. This portion is regulated and will not change regardless of which of the above options a resident chooses for electricity supply.

### **Will I still get a single bill?**

Yes, you will continue to receive consolidated billing from the utility.

### **What do I need to do?**

If you are currently being served by the utility, you do not need to do anything.

### **Do I have to participate the program?**

No. Eligible residential customers will have the option to “opt-out” of the program during a 30 day opt-out period. Residents can opt-out by calling a toll free number or by returning the opt-out card (postage included). In addition, residents enrolled into the program can terminate their participation at any time with no early termination or exit fees.

**Can a business participate in the program?**

While the law does allow for business participation, we feel businesses are not well served through the current program. The law requires businesses to opt-in **PRIOR** to solicitation from bids from third party suppliers. This means a business will have to join the program without knowing the savings. To be clear, businesses get a different price than residents. We would be happy to structure a tailored program for local businesses.

**Can I continue to participate in budget billing/equal payment plan from PSE&G?**

Yes, our bid will require bidding suppliers to continue offering budget billing.

**What if I am in contract with a third party supplier?**

The program is designed so that any residents having third party supply contracts will be excluded from participating in the program. Your third party contract will not be affected.

**How do I join the program if I am currently with a third party supplier?**

You are obligated to meet the terms of the contract in place with your third party supplier. Upon contract expiry, you can join the program by contacting Good Energy directly or through our regular sweeps to identify new accounts. Residents currently in contract with a third party supplier must read their existing contract and determine if there are any termination penalties.

**I switched to a third party supplier and a few months later my rate increased, and I was paying much more than the utility rate. How do I know this won't happen again through this program?**

The rate secured through our program will remain fixed for a known period (12-24 months). During this time, the rate will NOT change. We are only soliciting bids for 100% fixed rates, no variable or teaser rates will be included in the bid specifications.

**How do I know that I'm saving money over the utility rate?**

By law, the price to the consumer must be less than or equal to the regular retail price charged by the utility company (PSE&G).

**Will this include both gas and electricity?**

No, even though the law allows for a municipality to purchase both electricity and natural gas through a Government Energy Aggregation program, this initial program will focus on electricity as there are better savings.

**Does the Town profit from the program?**

No, the law clearly prohibits any financial incentives for the Town.

**Do programs like this take jobs away from union workers in New Jersey?**

Absolutely not. Local utility jobs are not affected by this program. The underlying structure is a financial transaction.

### **How do I get notified I am enrolled?**

Each residential customer will receive a written notification after the bid, informing them of the winning supplier price, the savings compared to the utility price, and their right to opt out. In addition, after the 30 day opt-out period, each resident will receive a letter from the utility informing them they are being enrolled and their supply service will be switched to the winning supplier.

### **Does the program require a certain percentage of residents to participate?**

No. The winning supplier will have included the risk of some residents opting out into their price.

### **What level of savings can I expect?**

We expect to go to bid during the spring/early summer and expect to have savings of 10%-15%

### **How do we know we're always below the rate utility will charge?**

The consultant has in-depth knowledge of how the utility tariff rates are determined, and as such, will structure a term that ensures savings throughout the term of the contract. In summary, the BPU conducts wholesale electricity auctions every February which annually comprise about one-third of the utility tariff rate. The auction terms are for three years, so we always know 2 of the 3 auction prices and can accurately determine future tariff prices for 12 or 24 month terms.

### **Who do I call if I lose power?**

You continue to call your current utility, as they are responsible for delivering your electricity and maintaining the infrastructure.

- Atlantic City Electric: [\(800\)642-3780](tel:(800)642-3780)
- JCP&L: [\(888\)544-4877](tel:(888)544-4877)
- PSEG: [\(800\)436-7734](tel:(800)436-7734)
- Rockland Electric: [\(877\)434-4100](tel:(877)434-4100)

### **Will the utility take longer to restore my electricity if I am with a third party supplier?**

No. The delivery is always the responsibility of the utility, and ALL utilities in New Jersey are indifferent to the supply portion of the bill.

### **Will I be charged a higher delivery rate?**

No. Delivery rates do not change based on participation with a third party supplier. Utility delivery rates are regulated by the State.

### **Can I leave the program at any time and will there be penalty fees for leaving?**

Yes. Any participating resident can leave at any time with NO termination penalties or exit fees.

**How are we sure that the Township selects a reputable supplier?**

Only third party suppliers licensed by the State will be eligible to bid. We have created a qualifying worksheet that ensures the winning supplier is qualified to serve the community. The worksheet requires suppliers to demonstrate financial strength, experience, as well as customer service capabilities.

**What do we do if the bid prices do not provide savings?**

The law does not allow the Township to award the supply contract unless the price is below the utility tariff rate.

**How does the Consultant get paid?**

The consulting fees are built into the supplier pricing.

**Is the Consultant fee the same for all bidders or will the fees be based on a percentage of award?**

Consultant fee is fixed and does not fluctuate based on any criteria.

**Will Atlantic City Electric and PSE&G be eligible to bid?**

No, they do not bid on electricity procurement, they are simply there to be the default service.

**How long will the contract term be for?**

Contract term will be between 12 and 24 months. The final term will be based on most favorable price and be selected by the Township's governing body.

**Do I have to sign a contract?**

No, there is no contract to sign. You are automatically enrolled as long as you are currently receiving your supply from the utility. Regular updates will be posted on the Township's website.

**If I opt out, can I opt back in at a later date? Is there a waiting period?**

Yes, you can opt back in. No, there is no waiting period, but we do have to allow 30 days (one billing cycle) to be switched to a new supplier.

**After the program is up and running, who do I contact to opt in?**

Details about how to opt into the program will always be posted on the Township's website.

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

Having a solar system does not preclude you from participating. The only exception are solar systems that generate more electricity than the homes consumes. We are happy to review electric bills to help determine such issues.

**Can other communities be included to add to the buying power?**

Yes, in fact, we have formally been retained by Woodbridge and would expect to go to bid for both Towns in an effort to maximize buying power.

**What administrative functions will the Township be performing related to this program?**

The Township will not have any administrative function, the Energy Agent will be responsible to manage the program and keep the Township informed.

**Will the Township be reimbursed by the energy program for any administrative costs directly associated with the program?**

The supplier will reimburse the Township for any documented out-of-pocket expenses.

**Will Fire Districts be eligible to join the program?**

We would need to know what rate class they fall into. I would think they would be better off in our commercial aggregation.