

# Montgomery Township Community Energy Aggregation Program - Round II

**A Local Services Program for  
Lowering Energy Costs**

**Consultants:**

**Gabel Associates, Inc.**

[www.gabelassociates.com](http://www.gabelassociates.com)



# Review of the MCEA Program: How does it work?

- Program is permitted and implemented under the Government Energy Aggregation (GEA) law and Board of Public Utilities (BPU) rules.
- GEA is intended to allow 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.
- Under State rules, a municipality first must pass an ordinance to establish a Community Energy Aggregation Program. The Montgomery Township Community Energy Aggregation (MCEA) was formed by the Township as the result of an ordinance that was passed in April 2013, and the program was re-authorized for continuation as the result of an ordinance passed in December 2015.
- Under this program the Township, with guidance from its consultants, releases a Request for Proposals (RFP) to all New Jersey licensed third party suppliers to supply electricity to all Township residents who are not currently being served by a third party supplier.
- The Township and its consultants analyze the bids received and determined the most beneficial bid to award. **Under BPU rules, the Township can only award a contract if the bid price is below the current tariff price charged by PSE&G. If there is no savings, there is no contract awarded**

# Benefits of the MCEA Program

- Reduced Energy Prices
  - Competitive process encourages lower rates
- Consumer Protection
  - Township and consultants 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 hidden fees. Length of contract is specifically defined. No fine print for customers to worry about.
- Transparency
  - \* Residents are informed of price, contract term and comparative savings vs. utility tariff
- Customer Choice
  - Customers may opt out at any time 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 supplier for residential accounts. The MCEA program allows the municipality to shop on behalf of the residents.

# Review of the MCEA Program: Re-cap of Round I

- Montgomery Township was one of the first municipalities in the State to take advantage of community energy aggregation.
- The Township conducted a competitive bid in August 2013, and awarded a 24-month contract to ConEdison Solutions which began in December 2013, and expired in December 2015.
- Over 6,000 residential customers in the Township participated in the MCEA program. Total savings under the contract have been about 14% as compared to the PSE&G tariff price for power supply. This has resulted in savings for the typical Township participant of about \$350 over the 24-month contract term.

# MCEA Program: Round II

- The MCEA Round I Program was well-received by Township residents. Residents who participated in the program have saved in aggregate, over \$2 million. Those residents who chose not to participate 'opted-out' of the program without hassle or cost.
- With the success of the first round of the MCEA program, and the expiration of the 24-month contract with ConEdison Solutions in December, the Township recently undertook a new competitive bid process for Round II of the MCEA program.
- As a result of that competitive bid, the Township recently awarded a new contract to the low bidder, TriEagle Energy, for an 18-month contract beginning June 2015. The new contract price is \$.11217/kwh, and will save participating residents about 13% as compared to the PSE&G tariff price for power supply. This translates into savings of about \$16 per month, or nearly \$300 over the 18-month contract term.



# Overview of MCEA Round II: How does it work?

- A Notification Letter was recently mailed out to Township residents who currently receive power supply service from PSE&G (customers who shop independently of the MCEA program were not included in this mailing). Those residents who have solar systems or who previously opted-out of the MCEA-Round I program, including those who requested to be placed on a 'Do Not Disturb' list were also excluded from this mailing.
- The Notification Letter contains the bid price per kilowatt hour, a comparison to the PSE&G price, estimated savings over the 18-month contract, and information on how to "opt-out" of the program.



TriEagle Energy, LP  
2620 Technology Forest Blvd.  
The Woodlands, TX 77381-9931

06909

**DO NOT DISCARD. Urgent Notice  
Reduced Electricity Prices**



## The Township of Montgomery Energy Aggregation Program Opt-Out Reply Card

60593-2 - MG303864  
Roger Chang  
89 Red Oak Way  
Belle Mead NJ 08502-4912

02303

### Opt-Out Instructions

You do not need to take any action to participate in the Township of Montgomery Energy Aggregation Program.

If you do **not** wish to participate:  
**1) Sign and date this card; and**  
**2) Drop it in the mail**

This card must be signed by the customer of record whose name appears in the address on this card. You have 30 days from the postmark of this notification to return the card.



X

Date



## Community Energy Aggregation Frequently Asked Questions



**What is Community Energy Aggregation?**  
Community Energy Aggregation is a program permitted under New Jersey State law that permits municipalities to take advantage of purchasing power by pooling residents together to bid for power supply from third party suppliers, with the aim of obtaining power supply at a price that is cheaper than the supply price charged by the electric utility. The program is conducted under the oversight of the New Jersey Board of Public Utilities, the Division of Rate Counsel and the Department of Community Affairs.

**Who has Montgomery Township selected as the program supplier?**  
TriEagle Energy® was selected by the municipality as the qualified supplier with the lowest bid price in a public, competitive bid. TriEagle Energy is an electric power supplier licensed by the New Jersey Board of Public Utilities.

**When does this new contract with TriEagle Energy begin?**  
Service would begin with your June 2016 meter read date and would continue for 18-months until December 2017.

## The Township of Montgomery Community Energy Aggregation Program Round II Program Announcement

Dear Montgomery Township Resident:

On behalf of the Township Committee, I am pleased to announce that the Township of Montgomery has been awarded a contract that will renew the popular Montgomery Community Energy Aggregation (MCEA) program. MCEA is a program originally authorized by the Montgomery Council in 2013, through which the Township can solicit competitive bids from third party power suppliers to provide electric power supply at a price lower than that offered by Public Service Electric and Gas (PSE&G).



### Montgomery Community Energy Aggregation (MCEA) Program Summary

TriEagle Energy Information:	TriEagle Energy (BPU License # ESL-0134) Toll Free Telephone Number: (877)933-2453 Website: www.trieagleenergy.com Address: 2620 Technology Forest Dr., The Woodlands, TX 77381 Email Address: <a href="mailto:customercare@trieagleenergy.com">customercare@trieagleenergy.com</a>
Price Structure:	Non-Variable Price <sup>1</sup>
Generation/Supply Price:	\$0.11217 per kilowatt hour
Statement Regarding Savings:	MCEA Program supply price is about 13% below the average PSE&G tariff supply price of \$0.129/kwh. Estimated savings are about \$16 per month. While highly unlikely, if the average PSE&G supply price falls below the MCEA contract price you will be notified, and you retain your ability to opt-out of the program.
Amount of Time Required to Change Back to Default Service or Another TPS:	The request to switch out of the MCEA program will become effective on the next available meter read date in accordance with State-approved processes implemented by PSE&G.
Incentives:	None
	Eligible residents will be automatically enrolled in the MCEA program unless you

# Overview of MCEA Round II: (Continued)

- “Opt-out” is fast and easy. Residents can either sign and drop the postage-paid “opt-out” card in the mail, can call TriEagle Energy’s toll-free program phone number, or send an email to TriEagle Energy, using the contact information provided in that mailing. Residents that mail back the card or call or email TriEagle Energy by May 4th will not be enrolled in the program. Customers can also call or email Gabel Associates, and we will pass along your opt-out request to TriEagle.
- After May 4<sup>th</sup> TriEagle Energy will begin enrolling residents for service beginning with your June 2015 meter read date. You will receive a separate notice from PSE&G informing you that that TriEagle Energy 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 without penalty or termination fee

# Overview of MCEA Round II: (Continued)

- Residents who have their own third party supply contract or who have their own solar power systems and who were therefore excluded from the initial eligibility pool and did not receive the Notification Letter mailing may still participate in the program, by deciding to 'opt-in' to the program.
- Customers with their own third party supply contract are urged, before deciding to opt-in to the MCEA program, to compare prices and to carefully read your existing contract language very carefully, to assure that there will be no penalties assessed for terminating the contract prematurely



# Who is TriEagle Energy?

- TriEagle is a licensed electric power supplier serving residential customers in New Jersey since 2011, currently serving over 65,000 residential households in the State.
- If you have any questions regarding the program, if you wish to opt-out of the program, or if you did not receive the Notification Letter and wish to become a MCEA Round II program participant, you can reach TriEagle Energy in the following manners:
  - Call toll-free at: (877) 933-2453
  - Email to: [customercare@trieagleenergy.com](mailto:customercare@trieagleenergy.com)



# Who is Gabel Associates?


- Gabel Associates is an independent energy consulting firm and State-registered energy agent retained by the Township to assist with the implementation of the MCEA program. Gabel Associates is not affiliated with TriEagle Energy or any other retail energy supplier. Gabel Associates works for the Township, impartially assists with the implementation of the competitive bid process and selection of the winning bidder, and is available to answer questions from Township residents and assist with opt-outs or opt-ins.
- If you have any questions regarding the program, if you wish to opt-out of the program, or if you did not receive the Notification Letter and wish to become a MCEA Round II program participant, you can contact Gabel Associates for assistance in the following manners:
  - \* Call toll-free at: 855-365-0770
  - \* Email to: [MCEA-info@gabelassociates.com](mailto:MCEA-info@gabelassociates.com)



# Community 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 MCEA program
- Residents may opt out at any time without penalty
- The MCEA-II contract price is about 13% lower than the average PSE&G 'price-to-compare'
- 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.
- 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 be offered budget billing by TriEagle Energy for power supply charges.

# Sample PSE&G Bill

PSE&G Electric		Summer Month 2010		Page 3 of 4
		Account number 12 345 678 90      Invoice number: 012345678901 Customer service and emergencies 1 800 436-PSEG (7734)		
<b>PSE&amp;G Electric</b>		<b>POD Number</b>		
Usage	Meter	111111111	Charges <span style="border: 1px solid black; padding: 2px;">PoD ID: PE000000441865325698</span> <span style="float: right;">Rate - RS</span>	
Estimated reading July 10		25250	<b>Delivery</b>	
Estimated reading June 10		24470	Service charge <span style="float: right;">\$2.46</span>	
<b>Total kWh</b>		<b>780</b>	<b>Distribution charges</b>	
			kWh charges      600 kWh @ \$0.059600      35.76	
			Next      180 kWh @ \$0.063722      11.47	
			<b>Sub-Total Delivery</b> <span style="float: right;"><b>\$49.69</b></span>	
			<b>Supply*</b>	
			BGS Energy	
			Charges      600 kWh @ \$0.122367      73.42	
			Next      180 kWh @ \$0.132111      23.78	
			<b>Sub-Total Supply</b> <span style="float: right;"><b>\$97.20</b></span>	
			<b>Total electric charges</b> <span style="float: right;"><b>\$146.89</b></span>	
<i>*The total supply amount (\$97.20 or an average of 0.124615 per kWh) is your Price to Compare for this month should you consider another electric supplier for these services. Your Price to Compare varies each month depending upon your usage pattern.</i>				

**Delivery Service Charges**  
(Not Impacted by MCEA)

**Basic Generation Charges**  
(Save 13% With MCEA Price)

Thank you

Questions?

Visit the Energy Aggregation page of the Township's website at:

[www.twp.montgomery.nj.us/energy-aggregation-program/](http://www.twp.montgomery.nj.us/energy-aggregation-program/)  
for more information.