



Community Energy Aggregation Frequently Asked Questions



What is Community Energy Aggregation?

Community Energy Aggregation is a program permitted under New Jersey State law that allows municipalities to pool together residents and conduct a bid for power supply from third-party suppliers, with the aim of obtaining a power supply 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. Montgomery has named its program the Montgomery Community Energy Aggregation (MCEA).

Who has the Township of Montgomery selected as the MCEA program supplier?

Constellation New Energy was selected by the Township of Montgomery as the qualified supplier with the lowest proposed price in a public, competitive procurement. Constellation New Energy is an electric power supplier licensed by the New Jersey Board of Public Utilities.

When does the program with Constellation New Energy begin?

Service will begin with the June 2019 meter read date and will continue for 15 months – until September 2020.

How does the MCEA program contract price compare to the PSE&G tariff price for electricity supply?

The price of \$0.11530 per kilowatt-hour (kWh) is approximately 10% below the current average PSE&G tariff price for power supply. Even with expected drops in the PSE&G tariff price later this year, the typical Township resident is still projected to save about \$100 over the full contract as compared to the average PSE&G tariff price-to-compare.

Does the price vary as energy market conditions change?

No. This is a non-variable price that does not change with market conditions. Unlike some third-party supply contracts, the price is locked in through a contract with the Township, and will not fluctuate after an initial 'teaser' period. The contract price can only change if there is a Change in Law that equally affects the price of PSE&G power supply, such that even after such a price adjustment the savings as compared to the PSE&G tariff price is maintained. Any such Change in Law price adjustment would be subject to review and approval by the Township to assure that the savings are not adversely impacted.

If I participate in the program, how does this affect my utility bill and service?

Your PSE&G bill includes separate charges for delivery service and for power supply service (i.e., Basic Generation Service). PSE&G will still provide delivery service and read your meter, and you will still receive a single bill from PSE&G which will continue to include the PSE&G delivery charges, but the utility Basic Generation Service charges for power supply will be replaced by the charges offered by the Township's chosen supplier, Constellation New Energy. Even if you participate in the program, PSE&G will still be responsible for service reliability and restoration.

Is participation mandatory?

Participation is never mandatory. Residents who do not currently have a third-party supply contract (i.e., take power supply service from PSE&G under the utility's Basic Generation Service tariff) are included in the initial eligibility pool. However, residents can opt out of the MCEA program by mail, phone or electronically using the information in the Program Summary. If you opt out within the 30-day opt-out period (by May 8, 2019), you will not be enrolled in the program. Even after enrollment you can opt out any time, effective with the next meter read cycle, and there are no penalties or fees to do so.

Will I receive any other notifications?

Yes. If you do not opt out of the program, several weeks after receipt of this Information Package you will receive a notification letter from PSE&G indicating that Constellation New Energy has enrolled your account for third-party supply and informing you of the date you will be switched to Constellation New Energy. This is just an added notification and its non-specific language is dictated by state law; but rest assured no further action is required in order to participate.

Will I ever be requested to provide information to a door-to-door solicitor for enrollment in this program?

No. This program does not include any door-to-door solicitation. Constellation New Energy has the necessary information already, subject to strict confidentiality. If you are solicited by someone, please do not provide them with your information – alert the Township, the Township's energy consultant, Gabel Associates or Constellation New Energy immediately.

Who do I call if there is a power outage?

PSE&G will still provide delivery service. If the lights go out, you would still call PSE&G at 1-888-436-7734.

Will I still be able to receive budget billing (Equal Payment Plan)?

Yes. If you currently have a budget billing plan with PSE&G, then Constellation New Energy is required to provide you with an equal payment plan for your power supply charges. PSE&G will continue to bill a levelized amount each month for delivery service, and Constellation New Energy will also bill a levelized amount each month (through the PSE&G bill) for power supply. You may experience a "true-up" on your bill from PSE&G prior to enrollment and then again at the end of the program.

What happens at the end of the Township's contract with the supplier?

There is no automatic rollover. If the Township decides to continue the program, it will conduct a new competitive bid for a new contract, and you will be advised of the new contract. If the Township discontinues the program, you will simply be returned to PSE&G power supply at the PSE&G tariff price.

How do I obtain more information?

Program details are provided in the Program Summary enclosed with this package. You can also contact Constellation New Energy using the contact information provided in the Program Summary enclosed in this information package or Gabel Associates at 855-365-0770. Additional information regarding the program, including more detailed FAQs, can be found on the Township's website at: <https://twp.montgomery.nj.us/about-montgomery/energy-aggregation-program/>.

Community Energy Aggregation (MCEA) Program Summary