



Township of Montgomery Community Energy Aggregation Round III Program Announcement

Dear Township of Montgomery Resident:

The Montgomery Community Energy Aggregation (MCEA) program has been authorized by the Township Committee via Ordinance No. # 17-1547. The MCEA provides the Township with the ability to use bulk purchasing power to seek competitive proposals from third-party power suppliers to provide electric power supply to Montgomery residents at a price lower than that offered by Public Service Electric & Gas (PSE&G).

The MCEA program was originally launched in 2013, and we are now in our 3rd round of the program. The Township's last contract under Round 2 of the MCEA, which resulted in significant cost savings for Township residents, ended in December 2017. Unfortunately, despite several attempts at bidding, changed energy market conditions in 2017 and 2018 prevented the Township from being able to obtain another beneficial contract, but the good news is that conditions have now changed in our favor.

With an improvement in market conditions this year, the Township launched a new competitive procurement process in February 2019 for Round 3 of the MCEA program. As a result of competing offers submitted on March 7, 2019, we are pleased to report that the Township of Montgomery has signed a contract with the low bidder, Constellation New Energy (CNE). The new contract with CNE will provide electric supply at a non-variable price that is about 10% lower than PSE&G's current average tariff price for power supply and, although the PSE&G tariff price is expected to drop modestly later this year, the contract is projected to save the typical Township resident about \$100 over the 15-month contract term, with no change to the level of service.

Residential customers of PSE&G residing in the Township of Montgomery who do not currently have a third-party supply contract are eligible to be included in the program. If you do not wish to participate in the program for any reason, you may simply opt out, with no strings or penalties. If you do nothing, you will automatically be enrolled in the program and enjoy the electricity savings. Attached is more detailed information about the MCEA program and the contract with CNE, as well as information on how to opt out of the program should you not wish to participate. We also posted MCEA program information on the Township's website at www.twp.montgomery.nj.us (see Energy Aggregation in left sidebar), and program documents may be reviewed in-person by visiting the Office of the Municipal Clerk in the Municipal Offices located at 2261 Van Horne Road – Route 206 North.

The energy aggregation program is only for the energy supply portion of your electric service. 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 readings, billing and service restoration. If you are on a PSE&G budget billing plan, you will continue to receive that service. ***Please take the time to read the enclosed materials and familiarize yourself with this program.***

Please note: If you do not opt-out, you will receive a notice from PSE&G in approximately 30-45 days confirming your switch to Constellation. Again, NO ACTION is required in order to participate in the MCEA program.

Montgomery Community Energy Aggregation Program Summary

Constellation New Energy Information:	Constellation New Energy, Inc. (BPU License # ESL-0016) Toll Free Telephone Number: 833-626-9363 Website: www.constellation.com/nj-Montgomery Address: 1310 Point Street, Baltimore, MD 21231 Email Address: vst@constellation.com
Price Structure:	Non-Variable Price ¹
Generation/Supply Price:	\$0.11530 per kilowatt-hour (kWh)
Statement Regarding Savings:	The contract supply price is about 10% below the current average PSE&G tariff supply price. With anticipated reductions in the PSE&G tariff price later this year, projected savings for the typical resident are estimated at about \$100 over the contract term versus the average PSE&G tariff price-to-compare. For budget billing details, see footnote below ²
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 processes implemented by PSE&G
Incentives:	None
Right to Opt Out / Rescind / Cancel:	You will be automatically enrolled in the MCEA program unless you submit an ‘opt-out’ request during the 30-day opt-out period, which ends May 8, 2019. If you choose to ‘opt out’, please sign and return the enclosed postage-paid card, call Constellation NewEnergy toll-free at 1-833-626-9363 or submit to: constellation.com/nj-Montgomery by May 8, 2019. If you do not opt out by May 8, 2019 you will be enrolled; however, you may still leave the MCEA program at any time thereafter. <i>You may also opt out through the Township’s Energy Consultant at www.gabelassociates.com/GEA or MCEA-info@gabelassociates.com.</i>
Program Start Date:	Service will begin with your June 2019 meter read date
Program Term/Length:	15 months, until your September 2020 meter read date
Cancellation/Early Termination Fees:	None. You can opt out at any time, with no penalty or cancellation fee
Renewal Terms:	No automatic roll-over or renewal. If a new contract is awarded by the Township, you will be notified, provided a new Program Summary, and will again be given the opportunity to participate in the program or opt out. If no new contract is awarded by the Township, program participants will be returned to PSE&G supply service in Sept. 2020.
PSE&G Contact Information:	Toll-Free Telephone Number: 800-436-PSEG (7734) Telephone Number for Emergencies and Outages: 800-436-7734

Residents receiving this notice who are outside the geographic boundaries of Montgomery, please contact Constellation to be removed from the program. Montgomery residents who do not receive this notice may join the program at any time.

Para obtener esta información en Español por favor llame este numero: 1-833-626-9363

¹ Supplier cannot vary prices monthly or adjust prices for changed market conditions, or change the rate after an initial ‘teaser’ period. The price will remain unchanged for the full contract term. The only exception is a one-time contract price adjustment resulting from a change in law that also effects the cost of power supply provided by PSE&G, in which case the contract price adjustment will not adversely impact the level of savings as compared to the PSE&G tariff price for power supply.

² Equal payment plans (EPP) will be provided to residents who currently have EPP billing with PSE&G. Under budget billing service, Constellation will calculate your budgeted amount based on your average electric usage over the prior 12 months. Periodically, Constellation will examine your budget and may adjust to more closely match your usage from the previous year. Constellation will conduct a final true-up at the end of the contract - or upon your leaving the program should you ‘opt-out’ before the end of the 15-month term - to reconcile between the amount of electricity actually used and the amount paid under the plan. The new budget amount may vary from the level of your current budget payment. You will continue to receive a levelized amount from PSE&G for delivery service, and you may experience true-ups with PSE&G during the contract.