

Township of Livingston
Sustainable Essex Alliance
Renewable Government Energy Aggregation
Program
(SEA R-GEA)
Round 2

Public Information Session
February 23, 2021

Consultants:

Gabel Associates, Inc.

www.gabelassociates.com



Government Energy Aggregation: What is It?

- Implemented under the Government Energy Aggregation (GEA) law and Board of Public Utilities (BPU) rules.
- GEA allows a municipality to pool its residents together to create ‘purchasing power’ and obtain power supply at a better price; under more favorable terms and conditions.
- A municipality first passes an ordinance to establish a Community Energy Aggregation Program.
- Once an ordinance is passed, a municipality can implement a GEA program on its own or join together with other municipalities to form a larger cooperative purchasing group.
- Municipalities conduct a public, competitive bid process. Draft bid documents are submitted to the BPU and Division of Rate Counsel for review, to assure compliance with the BPU’s rules.

SEA R-GEA: Background

- The Township passed necessary ordinance in 2017, creating Livingston's energy aggregation.
- Livingston's Round 1 program started with a competitive bid in March 2019
 - Awarded a power supply contract to the low bidder, Direct Energy, for 16-month term June 2019-October 2020
 - Contract had a lower price and higher renewable energy content as compared to power supply provided under PSE&G Basic Generation Service tariff.
- The Township of Livingston and The Borough of Glen Rock later joined the SEA a purchasing cooperative, entering its second round of purchasing, composed of seven municipalities.

SEA R-GEA: Round 2 Bid Results

- The current RFP was issued in August 2020 for a Round 2 contract.
 - Unfavorable market conditions resulted in no initial contract award.
 - All program participants in SEA R-GEA towns returned to PSE&G for power supply at end of Round 1 contract.
- Refreshed proposals were received 11/4/20. Township accepted the proposal from Energy Harbor, LLC (Energy Harbor), which had the most value.
 - A 17-month contract beginning April 2021 at a price of \$.12696/kwh.
 - 40% renewable energy content (compared to the current State-required renewable energy content of about 23.5%) for the SEA consists of about 5% in-State NJ solar RECs and about 35% regional renewable (primarily wind) RECs

SEA R-GEA: Round 2 Bid Results

- Even with enhanced renewable content, the SEA contract is projected to provide savings:
 - Initial conservative savings estimate for the typical resident was approximately \$20.
 - With recently-announced PSE&G price increase effective June 2021, current savings estimate is now approximately \$50-60 for the typical resident.
 - Program includes a voluntary 100% renewable product at \$.13437/kwh, i.e. for a \$.00741/kWh price premium.

Benefits of the SEA Program

- Aggregate purchasing power creates competition that provides residents access to power supply with nearly double the renewable energy content at a price that is competitive with PSE&G power supply.
- Consumer Protections:
 - Township able to manage risk by designing the contract and bid specifications to protect consumers
 - Contract terms are reviewed by the BPU and Rate Counsel
 - The price is known for the full contract term; no ‘bait and switch’ on price; no ‘market-based’ variable prices; no hidden fees
 - Length of contract is definite
 - No fine print
 - Free Opt-Out at any time

Benefits of the SEA Program (cont'd)

- Transparency: customers are fully informed of price, power supply content and terms and conditions.
- Customer Choice: Customers may opt out at any time with no exit fee.
- No Hassle: Third party supplier charge shows up directly on PSE&G bill.
- Local purchasing: SEA program allows the municipality to fulfill procurement role normally taken by the state.
 - Township shops on behalf of the residents and to customize the product and contract terms.

SEA Program: Building on Past Success and Blazing New Trails

- Dozens of municipalities across NJ have implemented GEA since 2012.
- The vast majority of towns that have implemented a GEA program have implemented a 2nd round.
 - SEA Round 1 participating residents saved an estimated \$2 million dollars;
 - The Round 2 program participation is anticipated to provide additional savings coupled with enhanced renewable energy content.
- Livingston was one of the first communities in NJ to embrace R-GEA.
- The voluntary 100% renewable ‘opt-up’ product is highly competitive versus marketplace offerings,
 - Added benefit that the renewable energy is sourced from wind power in the regional power grid.
 - ‘Opt-Up’ is a simple phone call to Energy Harbor.

Who is Energy Harbor?

- Electric power supplier licensed by NJ Board of Public Utilities.
- One of North America's largest retail energy suppliers, serving over 700,000 residential customers.
- Currently serving about 500,000 aggregation customers nationwide through energy aggregation programs like the SEA.
- Recently expanded into the NJ aggregation market; in addition to the SEA program, they currently provide enhanced renewable energy power supply to Piscataway and Plainsboro residents under R-GEA programs.

Contacting Energy Harbor

- For questions regarding SEA, to opt-out, opt-up, or if you did not receive the Notification Letter and wish to become a SEA program participant, you can reach Energy Harbor in the following manners:
 - Call toll-free at: 1-866-636-3749
 - Email to: firstchoice@energyharbor.com
 - Or visit their aggregation website at: energyharbor.com/en/community-programs/find-your-program

Who is Gabel Associates?

- Gabel Associates is an independent energy consulting firm
- A State-registered energy agent hired by the Township to help implement the SEA program.
- Gabel has no affiliation with any retail energy supplier.
- The consultant works for the Township to impartially assist with the implementation of the energy supply competitive bid process and selection of the winning bidder.



Contacting Gabel Associates

- If you have any questions regarding the SEA, to opt-out, or if you did not receive the Notification Letter and wish to become a SEA program participant, you can contact Gabel Associates for assistance:
 - ▶ Call toll-free at: 855-365-0770
 - ▶ Website: gabelassociates.com/GEA
 - ▶ Email to: SEA-info@gabelassociates.com



Overview of SEA: How does it work?

- On February 6th, Energy Harbor mailed Notification Packages to almost all PSE&G residential customers in Township. The Notification Package includes a short introductory letter, a Program Summary, a 1-page FAQs, an 'opt-out' card and business reply envelope.



Township of Livingston
Energy Aggregation Program/Sustainable Essex Alliance
Program Announcement

Dear Township of Livingston Residents Residing in PSE&G Territory:

As many will recall, two years ago, the Township of Livingston sought to bid on and purchase energy for Livingston's PSE&G customers with the twin goal of increasing residents' access to high quality green energy and reducing the cost of electricity. We achieved those goals in 2019 and awarded a 16-month cooperative energy contract to Direct Energy Services to supply cheaper and greener electricity to thousands of our residential customers. By leveraging the bulk purchasing power of thousands of households we were able to get a significant discount versus the PSE&G tariff price of a kilowatt-hour of energy and we became only the 8th municipality in the entire county to help provide 100% green energy to the majority of our residents. The contract under Round 1 of the program ended in October 2020; it is estimated that Township residents collectively saved about \$800,000 under Round 1 of the program.

In an effort to further increase our bulk purchasing power, the Council decided to engage with the Sustainable Essex Alliance (SEA), a group of 5 Essex County towns including Glen Ridge, Maplewood, Montclair, South Orange and Verona which share Livingston's commitment to advancing green energy and using our marketing strength to obtain cheaper rates of electricity for the residents. With Livingston as well as Bergen County town Glen Rock joining in the SEA now includes a total of seven towns to form an even larger purchasing pool.

On November 4, 2020, the SEA accepted favorable competitive bids and, the SEA is pleased to announce that it awarded a contract to Energy Harbor, the low bidder, for an 17-month contract which will begin in April 2021. Under the new contract with Energy Harbor, the baseline product will again provide participating residents with power supply that has nearly double the renewable energy content required of PSE&G, at a price of \$0.12696/kWh, which is below the current average Basic Generation Service tariff price of PSE&G. Therefore, residents can expect to receive power supply under the SEA program that is greater than utility-provided power supply, and at a cost that is expected to be lower than the cost of utility-provided power supply over the contract term. In addition, participating residents will have the ability to voluntarily OPT-UP to a 100% renewable energy product, for a modest price premium of \$0.00741/kWh above the base contract price (i.e. \$1.1847/kWh vs. the baseline contract price of \$1.12696/kWh). While modestly higher than the PSE&G tariff price, this voluntary 100% renewable energy supply product is priced favorably against similar options currently available on the marketplace. OPT-UP instructions are provided in the enclosed Program Summary and FAQ.

If you do not wish to participate in the SEA program for any reason, you may opt-out by following the instructions provided in the Program Summary on the reverse side of this Notice. We also posted SEA R-GEA program information on the Township's website at <https://www.livingston.org>. If you do not opt-out of the SEA program, you will also receive a notification from PSE&G in March that your account is being enrolled with Energy Harbor effective with the April 2021 meter read.

For residents seeking additional information, we have scheduled a Public Information Session from 6:00 p.m. to 7:00 p.m. on February 23, 2021. A brief presentation will be followed by a question-and-answer period. In order to assure the public's safety, the Session will be conducted electronically rather than in-person, using the same call-in instructions that are being employed for the Township Council meetings (Phone one tap: US: +12017158992, 87220563273#, *081773# or +13126266799, 87220563273#, *081773#; Phone Dial-In Number (for higher quality, dial a number based on your current location: US: +1 301 715 8592 or +1 312 626 6799 or +1 446 558 8646 or +1 283 215 8782 or +1 846 248 7799 or +1 609 900 9126; Webinar ID: 872 2056 3273; Passcode: 081773; Zoom: <https://us02web.zoom.us/j/87220563273?pwd=NGlONHh0YlRTRDh0L0NUNzU4dXk0aXo0>).

The delivery portion of electric service 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. Please take the time to read the enclosed materials and familiarize yourself with this program.

Sustainable Essex Alliance (SEA) Program Summary

Energy Harbor, LLC Information:	Energy Harbor, LLC (BPU License # ESL-0246) Toll Free Telephone Number: 1-866-636-3749 Website: https://energyharbor.com/en/community-programs/find-you-program Address: 168 East Market Street, Akron, Ohio 44308 Email Address: firstchoice@energyharbor.com
Price Structure:	Non-Volatile Price ¹
Generation/Supply Price:	\$0.12696 per kilowatt-hour (kWh)
Statement Regarding Savings:	The contract price is below the current average PSE&G Basic Generation Service ("BGS") tariff price of about \$0.129/kWh. Savings, while not guaranteed, are projected to be about \$20 over the contract term. Actual savings will vary monthly due to fluctuations in PSE&G's net 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 SEA program will become effective on the next available meter read date in accordance with processes implemented by PSE&G
Incentives:	Baseline Power Product (\$0.12696/kWh): 49% renewable energy content. Voluntary "OPT-UP" Power Product (\$0.13437/kWh): 100% renewable energy content (to OPT-UP to the 100% renewable product, call 1-866-636-3749 by 03/07/21).
Right to Opt Out / Rescind / Cancel:	You will be automatically enrolled in the SEA program unless you submit an 'opt-out' request during the 30-day opt-out period, which ends: March 7, 2021. If you choose to 'opt out', please sign and return the enclosed postage-paid card, or call Energy Harbor toll-free at 1-866-636-3749 by March 7, 2021. If you do not opt out by March 7, 2021 you will be enrolled, however, you may still leave the SEA program at any time thereafter. You may also opt out through the Township's Energy Consultant at www.seaassociates.com/GEA or sea-info@seainfoassociates.com .
Program Start Date:	Service will begin with your April 2021 meter read date
Program Term/Length:	17 months, until your September 2022 meter read date
Cancellation/Early Termination Fee:	None. You can opt out at any time, with no penalty or cancellation fee
Renewal Term:	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 September 2022
PSE&G Contact Information:	Toll-Free Telephone Number: 800-436-PSE&G (7734)

Para obtener esta información en Español por favor llame a este numero 1-866-636-3749.
Residents receiving this notice who are outside the geographic boundaries of Township of Livingston, please contact Energy Harbor to be removed from the program. Township of Livingston residents who do not receive this notice are permitted to join the program any time.

¹ 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 Energy Harbor. Again, NO ACTION is required in order to participate in the SEA program.

² Supplier cannot vary prices monthly or adjust prices for changes market conditions, or change the rate after an initial "lock-in" period. The price will remain unchanged for the full contract term. The only occasion is a one-time contract price adjustment resulting from a change in law that also affects 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.



LCEA/Sustainable Essex
Alliance
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, and/or has more renewable energy than the power supplied by the electric utility. The program is conducted under the oversight of the New Jersey Board of Public Utilities, the Division of Public Counsel and the Department of Community Affairs. Livingston, along with neighboring Essex County municipalities Glen Ridge, Livingston, Maplewood, Montclair, South Orange and Verona, as well as the Borough of Glen Rock in Bergen County, have joined together into a single purchasing cooperative, which has been named the Sustainable Essex Alliance (SEA).

Has this type of program been implemented previously?

Yes. Beginning in 2012, a growing number of NJ municipalities have implemented Community Energy Aggregation programs. Over the past couple years, these programs have been increasingly focused on obtaining power supply with enhanced renewable energy content, in addition to cost savings, in order to address concerns regarding air quality and climate change. In 2019 the Township of Livingston implemented the Livingston Community Energy Aggregation (LCEA). The Township awarded a contract under Round 1 of the LCEA that provided electricity cost savings and enhanced renewable energy content to participating Township residents. That contract recently expired in October 2020. For Round 2 of the LCEA program, the Township joined with the six other municipalities, under the SEA program, to obtain even greater joint purchasing power.

Who has been selected as the SEA program supplier for Round 2 of the SEA program?

The SEA recently completed a competitive process under which it solicited proposals from competing suppliers. Energy Harbor submitted the lowest proposed price in the public, competitive procurement process, and was selected by the SEA as the supplier for Round 2 of the SEA program. Energy Harbor is an electric power supplier licensed by the New Jersey Board of Public Utilities. It serves tens of thousands of residential customers in New Jersey, and hundreds of thousands nationwide, through energy aggregation programs like the SEA.

When does the program with Energy Harbor begin?

Service will begin with the April 2021 meter read date and will continue for 17 months – until September 2022.

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

The price of \$0.12696 per kilowatt-hour (kWh) is below the current average PSE&G Basic Generation Service tariff price for power supply. While the net PSE&G price-to-compare does fluctuate on a monthly basis (as compared to the steady and predictable price for the SEA program contract), and therefore actual savings will vary by month and cannot be guaranteed, the typical resident in Livingston and the other SEA-participating municipalities is still projected to save about \$20 over the full contract as compared to the average PSE&G tariff price-to-compare over that period. Additionally, the energy supply procured through the SEA program contains 49% renewable energy content – nearly double the amount of renewable energy content provided by PSE&G default energy supply.

What makes the SEA electricity content renewable?

The additional renewable energy content residents will receive consists of the renewable energy that all NJ suppliers are required to supply based on New Jersey Renewable Portfolio Standards (RPS) plus an additional amount of RPS-compliant PJM Class I Renewable Energy Certificates (RECs) to reach 49% renewable energy in total. PJM Class I RECs are sourced mainly from wind power in our region. The voluntary 100% "OPT-UP" product consists of an additional 60% RPS-compliant PJM Class I RECs above the base SEA program. For more information about RECs, NJ's Renewable Portfolio Standards and other terms in this FAQ, go to <https://www.livingston.org> where additional program information is posted.

Can I receive 100% renewable energy through the SEA program? And what is the deadline to 'OPT-UP'?

Yes. Individual residents can voluntarily "OPT-UP" to a high-quality PJM Class I based 100% renewable energy product at a slightly higher price of \$0.13437/kWh, or approximately \$2 a month on average more than the default baseline 49% renewable energy product under the SEA program. The "OPT-UP" is entirely voluntary but, if you wish to do so, you must "OPT-UP" by March 7, 2021. Please note, while residents will always retain the right to opt-out of the SEA program at any time without fees, residents interested in the 100% renewable option must "OPT-UP" within the initial 30-day window that ends March 7, 2021. To "OPT-UP" call the supplier, Energy Harbor, at (866)-636-3749.

Overview of SEA: If You Decide to Opt-Out

- All residents have the option to ‘Opt-Out’ of the program.
- Options for fast and easy “Opt-out” are:
 - Sign and return “opt-out” card in the mail
 - Call Energy Harbor’s toll-free program phone number: 1-866-636-3749
 - E-mail Energy Harbor’s SEA email address: firstchoice@energyharbor.com
 - Visit Gabel’s website: gabelassociates.com/GEA (case sensitive)
 - Email Gabel’s helpdesk: SEA-info@gabelassociates.com
- The initial 30-day opt-out period concludes on March 7th, 2021. Residents who opt-out by March 7th will not be enrolled in the program.

Overview of SEA: What Happens After the Initial 30-Day Opt-Out Period?

- **If you do not opt-out by March 7th, No further action is required if you wish to participate.**
- After March 7th, Energy Harbor will begin enrolling residents for service beginning with your April 2021 meter read date.
- You will receive a separate notice from PSE&G in mid-March informing you that the supplier has enrolled your account.
- Energy Harbor will be reflected on your May PSE&G bill.
- Even after initial enrollment, residents may change their mind and opt-out at ANY time during the contract without penalty or termination fee.

Overview of SEA: Residents Removed from the Initial Pool of Eligible Customers

- Residents with existing third-party supply contract or solar were excluded from the initial mailing. These residents may still participate in the program, by deciding to ‘opt-in’ to SEA, *however*:
 - Customers with a third party supply contract should review contract to compare prices and renewable energy content and carefully read existing contract language to check for early termination fees.
 - Customers with solar panels, should review PSE&G bills and/or discuss with solar vendor whether your solar system does or will rely on net-metering and banking of monthly ‘over-production.’ If so, you are likely better off remaining on PSE&G supply.

SEA Program Timeline & Dates to Remember

Sustainable Essex R-GEA Timeline		
Tuesday, February 23, 2021		
	Action Item	Actual/Tentative Dates
1	Bid Award	Wednesday, November 4, 2020
2	Opt-Out Packages Mailed	Friday, February 5, 2021
3	Public Information Session	Tuesday, February 23, 2021
4	30 Day Opt-Out Period Ends	Sunday, March 7, 2021
5	Enrollment Notification Letter Mailed by PSE&G	Mid-March 2021
6	Service Commences	April 2021 MRDs
7	Service Concludes	September 2022

Reading Your PSE&G Bill

- ▶ Your PSE&G Bill is split up into two portions: Delivery Charges and Supply Charges.
- ▶ For SEA-Round 2 participants, charges from Energy Harbor will replace the supply line item charges for power supply on your PSE&G bill
- ▶ In order to opt-in or out through any one of the available means, we ask that residents have readied their 20 digit PoD ID number
 - ▶ Begins with the letters 'PE', a unique identifier which allows us to enroll or unenroll an account with the supplier.
 - ▶ Found on the right side of the portion of your bill which reads Details of your electricity charges.

Example PSE&G Bill

The current Delivery price charged by PSE&G will always appear. The charges of SEA's supplier Energy Harbor will appear below, replacing PSE&G Supply charges



Details of your electric charges

Your rate: Residential Service (RS)

Meter # 127 [REDACTED]	Usage
Actual reading Mar 18, 2019	48979
<i>Less</i> Actual reading Feb 14, 2019	48152
Total electric you used in 32 days	827 kWh

Delivery charges

Monthly service charge		\$4.95
Charges for delivering electric to you:		
kWh charges		
For the first	600 kWh x \$0.039983	\$23.99
For the next	227 kWh x \$0.040000	\$9.08
Total electric delivery charges		\$38.02

Supply charges

Cost of electric supplied by PSE&G:

Charges		
For the first	263 kWh x \$0.139772	\$36.76
For the next	98 kWh x \$0.139796	\$13.70
For the next	338 kWh x \$0.129734	\$43.85
For the next	128 kWh x \$0.129766	\$16.61
Total electric supply charges		\$110.92



Total electric charges

\$148.94

Explaining electric charges

We charge for the electric you use in kilowatt hours (kWh). 1 kilowatt is equal to 1,000 watts.



If you used a 100 watt light bulb, it would take 10 hours of use to equal to 1 kWh of energy.

Price to compare

If you want to consider getting your electric supply from another supplier, compare their price with ours. This month, your cost for energy supply is \$110.92 (or an average of 0.134123 per kWh). This price to compare varies month to month, depending on your usage.

Your PoD ID is: PE000008963 [REDACTED] – Your PoD ID is your Point of Delivery identification within PSE&G's system. You will need this number if you are considering enrolling with another supplier.

Government Energy Aggregation Recap/Facts

- All residents, except those who have a third-party supplier or an installed solar system are automatically included in the SEA program.
- SEA provides 40% renewable energy content nearly double the current renewable content of PSE&G supply, at a price that is lower than the current average PSE&G tariff 'price-to-compare.'
- Even with monthly fluctuations in the PSE&G net price-to-compare, SEA is now estimated to save the typical Township resident about \$50-60 over the 17-month contract term based upon recently-announced PSE&G price increases. t

Government Energy Aggregation Recap/Facts (Cont'd)

- Residents may opt out at any time without penalty and will be removed from the program.
 - If you opt-out by March 7th you will be removed from the eligibility list and will not be enrolled.
 - Opt-outs occurring after March 7th will take effect at the next available PSE&G meter read date.
- The contract price is 'non-variable' and remains unchanged for the full contract term. Supplier cannot vary prices monthly or adjust prices for changed market conditions.
- PSE&G will continue to provide the power delivery and reliability. Please continue to call PSEG at 800-436-7734 (PSEG) in the case of a power outage and to have power restored.

Government Energy Aggregation Recap/Facts (Cont'd)

- Residents will still receive *one* bill for electricity; the third party supplier's cost will replace PSE&G's power supply line item on their bill.
- **Residents who have budget billing (Equal Payment Plan) arrangements with PSE&G will still be able to obtain budget billing for power supply charges.**
 - Energy Harbor will monitor budget billing customers monthly, to reduce true-up as much as possible at the end of a plan.
 - Budget amount will be adjusted if necessary over the contract.
- **There will be no effect on financial assistance received (LIHEAP, etc.) on PSE&G bills.**

Thank You

Questions?

Visit Livingston's SEA Round 2 program link on the
Township's website at:

livingstonnj.org/SEA

for more information.