



# Toms River Township Community Energy Aggregation

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## *October 2017 Program Update*

In 2013, the Township of Toms River launched the Toms River Community Energy Aggregation (TRCEA), for the purpose of creating purchasing leverage and providing an opportunity for residents of the Township to save money on their electric bills. After a successful first round of the TRCEA program, the Township issued a competitive bid for a second round of electric supply in Fall 2015, and awarded a contract to TriEagle Energy for a power supply contract that started in March 2016. The current contract with TriEagle Energy has a term of 21-months, which is set to expire in December 2017. The power supply contracts for Rounds 1 and 2 of the TRCEA program have produced aggregate savings of millions of dollars since 2013.

With the pending expiration of the TRCEA Round 2 contract with TriEagle Energy in December 2017, the Township is currently assessing the continuation of the program, in light of changing market conditions. In the short run, the Township has determined that the residents' interests are best served by allowing residents to return to JCP&L for power supply at the end of the current contract, while it assesses whether savings can be achieved by re-instituting the program in Spring 2018.

The Township assures residents that the transition from TriEagle back to the JCP&L tariff in December 2017 will be seamless. In November, JCP&L will send notices to residents informing them that service with TriEagle Energy will be ending effective on your December 2017 meter read date. There is nothing further that a resident needs to do. Effective on your December meter read, JCP&L will resume as your power supplier (as they had been prior to Rounds 1 and 2 of the TRCEA program). Starting with your January bill, you will notice on your JCP&L bill that TriEagle power supply charges will be replaced with a line item for JCP&L 'Basic Generation Service' power supply.

If the Township decides to continue with Round 3 of the TRCEA program, it will undertake a competitive bid later this year or early 2018. If such a bid is conducted, the Township would only award a contract and re-institute the program if the low bid price produced savings as compared to the JCP&L tariff price for power supply. In such event, eligible residents (all residents except those that have their own solar generating system or their own third party supply contract, or those who chose to opt-out of previous rounds of the program), would be sent a mailing informing them of the details of the new contract, after which residents would have the choice of opting-out of the new program if they did not wish to participate. As with prior rounds of the TRCEA, no further action would be necessary for residents who want to enjoy supply savings through the program.

The Township will keep you apprised of future developments concerning the TRCEA program

We appreciate your understanding and look forward to working diligently with our consultant in the coming months to determine whether continuation of the TRCEA program will be beneficial to residents. Should you have any further questions in the meantime about the transition from the TriEagle Energy contract to JCP&L at the end of 2017, please feel free reach out to Gabel Associates at [trcea-info@gabelassociates.com](mailto:trcea-info@gabelassociates.com).

*For your information, here are answers to some frequently asked questions about the TRCEA program. . .*

## ➤ **What is Community Energy Aggregation?**

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**Community Energy Aggregation** is a program that allows municipalities to conduct a “bulk purchase” of energy supply on behalf of its residents, **at prices lower than the average utility price**. New Jersey regulations allow municipalities to take this approach to procure savings on your behalf.

The Township of Toms River hired and collaborated with its Energy Consultant, Gabel Associates, to implement a successful procurement process and to evaluate and select a Third Party Supplier that will provide power supply to its residents.

## ➤ **Who is Gabel Associates?**

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Gabel Associates is a registered Energy Consultant that has been retained by Toms River to administer and implement the TRCEA program. The firm has helped pioneer energy procurement in New Jersey and has been supporting large scale aggregations (like this one) for over 15 years. We were also a key participant in the development of CEA rules and programs state-wide.

Gabel Associates was the first firm in the State to have successfully implemented a CEA program in New Jersey, and the firm has successfully completed the most CEA programs in the State. These programs have saved millions of dollars for New Jersey residents!

You can contact Gabel Associates at 1-855-365-0770 or by email at [TRCEA-info@gabelassociates.com](mailto:TRCEA-info@gabelassociates.com).

## ➤ **Who is TriEagle Energy?**

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TriEagle Energy has been a retail electric power supplier for more than 10 years, and has served residential customers in New Jersey since 2013. Today, TriEagle serves more than 65,000 residential aggregation meters state-wide.

TriEagle Energy can be contacted as follows:

TriEagle Energy (BPU License # ESL-0134) Toll Free Telephone Number: (877)-933-2453 Website: <a href="http://www.trieagleenergy.com">www.trieagleenergy.com</a> Address: 2620 Technology Forest Dr., The Woodlands, TX 77381 Email Address: <a href="mailto:customercare@trieagleenergy.com">customercare@trieagleenergy.com</a>
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## ➤ **How does the TRCEA Program work?**

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The Township, with the assistance of Gabel Associates, issued a competitive bid process in late 2015 following strict competitive contracting laws in an effort to select a Third Party Supplier ("TPS") of electricity at a non-variable rate below the average JCP&L price (or BGS tariff price).

All residents who are not shopping independently - and who did not opt-out of the TRCEA Round 1 - were automatically included in the TRCEA Round 2 program and were sent a notice in the mail in January 2016. This notice, known as the Opt-Out Notice, provided all the details of the program as well as the various ways to opt-out of the program, including TriEagle's toll free telephone number, email address, and a postage-paid opt-out card.

Customers had 30 days to review the Opt-Out Notice and decide whether they wish to opt-out of the program. After 30 days, residents who do not opt-out of the program are enrolled by the winning supplier.

**Even after an electric account is enrolled, residents are free to opt-out of the program at any time during the contract! Participation in the TRCEA Program is 100% optional! There are no any fees or penalties if you decide to opt-out.**

Customers that have their own, independent TPS contracts, or customers who previously opted-out of the TRCEA Round 1 during the initial 30-day opt-out period, are given the option to join the TRCEA Round 2 program.

## ➤ **Will I receive two bills?**

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**No, you will always receive one bill from JCP&L.** The only thing that changes in the TRCEA Program, or any CEA Program, is the cost of the electricity provided.

You may recall from Round 1 of the TRCEA Program, under service with NRG Home, that electric bills are comprised of two main components: power supply and distribution. It is important to emphasize that this program covers **only the power supply portion of the electric bill**. Under New Jersey's retail choice regulations, you may purchase power supply from either the electric utility company under its Basic Generation Service ("BGS") tariff rates, or you may purchase your power supply from a Third Party Supplier ("TPS"). The goal of the TRCEA program is to provide savings on the power supply portion of your bill. The new, lower power supply charges assessed by TriEagle Energy will appear on your JCP&L bill in place of the BGS tariff charges for power supply. JCP&L delivery charges will remain the same.

The delivery portion will continue to be provided by JCP&L at regulated rates and JCP&L will continue to provide all emergency and safety services. JCP&L will also continue to provide

customer services such as meter reading, billing and service restoration. Furthermore, you will continue to have all existing consumer protections and rights.

**Importantly, the delivery and distribution of electricity under this program will continue to remain the same, through the regulated utility (i.e. JCP&L) that serves your home. The utility continues to handle your account, providing meter reading and billing, and addressing any power outages and maintaining service.**

### ➤ **Can I Opt-In to the TRCEA Program?**

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Yes. Residents who have their own third party supply contract, or previously opted out of the TRCEA Round 1 program, but would like to join the TRCEA program, still have the opportunity to join.

For customers who previously opted-out of the TRCEA Round I program: It was presumed that customers who opted-out during the 30-day opt-out period for Round 1 do not wish to participate in the TRCEA Round 2. The Township worked very hard to ensure that any such customers were not included in the opt-out notice mailing or enrollment by TriEagle Energy. However, customers who previously opted-out are eligible to change their mind and to opt-in to the TRCEA Round 2 program during the 30 day opt-out period at the newly awarded contract price.

For customers with their own TPS contracts: It is very important to read your existing contracts very carefully, as there may be penalties for terminating the contract prematurely. Some third party suppliers have automatic "roll over" provisions which renew your contract without consent or action from you. Please be sure to read your current agreement and take the necessary actions to alert your third party supplier that you wish to terminate service at the end of your contract term in order to join the TRCEA. Please contact TriEagle Energy to opt-in.

Please note that neither the Energy Consultant nor the Township are responsible for informing your existing supplier or terminating your agreement with them. However, if you have any difficulty with them, please let us know and we'll try to help you resolve issues. Contact Information Provided Above.

### ➤ **Will I be able to keep my budget billing (or equalized payment plan)?**

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The Township requires TriEagle Energy to provide budget billing for their power supply charges to those customers that currently have such arrangements with JCP&L. JCP&L will continue to provide budget billing for their delivery charges. Therefore, under the current TRCEA program, and any future contracts that the Township awards, the consolidated bill issued by JCP&L will continue to contain equalized payments.

Nonetheless, budget billing with JCP&L's distribution portion of the bill and the awarded third party supplier's supply portion of the bill can be complicated. If you are experiencing trouble with your budget billing, please contact JCP&L, TriEagle Energy, or Gabel Associates (contact information above) for assistance.

## ➤ **Why is the program set up so that residents can only opt-out, rather than having it so that residents may opt-in if they wish to join?**

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The program is set up this way to ensure that a sufficient number of households will participate to obtain a meaningful bid, and to avoid the costly and time-consuming process of having everyone affirmatively sign up for the program.

The aggregation rules incorporate consumer protections, and recognize the logistical challenges of a residential procurement program, while at the same time providing a structure that will attract bidders.

When the retail choice program was originally enacted in NJ in 1999, the rules required that government aggregators be required to obtain a so-called “wet signature” from each residential customer demonstrating the customer’s affirmative consent to join. After a number of years it was recognized that this “opt in” approach put such a burden on the programs that none got off the ground, and the model was changed to “opt-out” for residential customers. Unlike business customers, residential customers represent large numbers and (relatively) small usage/margins for each account. In order for an aggregation of residential customers to work, it is necessary to get large volumes with as low transaction costs as possible. This results in the opt-out approach, which gives suppliers a firmer basis for the load they are bidding on, but still provides residential customers with the ability to opt out.

The regulations also require that an aggregation program show savings versus the utility-provided rates. Each residential customer will receive a written notification after the bid, informing them of the price, the comparison to the utility price, and their right to opt out. As such, each resident will be fully apprised of all pertinent information necessary to make an informed decision.

## ➤ **What about power outages?**

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Power outages are **not** under the control of the third party supplier. The delivery system is still under JCP&L’s control, and there is no difference in delivery services whether you purchase the power supply from a third party supplier or from JCP&L under its tariff. In the event of an outage, you would still contact JCP&L.

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

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Customers with solar systems, especially that are larger in size, typically result in solar production in some months exceeding your monthly electric consumption. In such cases, the monthly utility bill is usually very low.

For these customers, the savings attributable to the TRCEA program would be very minimal. It is for this reason that the Township elected to remove solar customers from the TRCEA supply contract.

However, if you believe based upon a review of your past bills that your solar system is NOT producing excess energy that is being ‘banked’ on your JCP&L bill, you may consider opting-in to the TRCEA program. You are encouraged to contact the selected supplier or JCP&L for further information.

➤ **Will the LIHEAP and Lifeline benefit programs for low income residents still apply if I participate in the TRCEA?**

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LIHEAP (Low Income Home Energy Assistance Program) is a federally funded program, administered by the Dept. of Community Affairs, to assist low income households with paying their heating bills (whether electric, gas, oil, etc.). There should be no impact of participation in the TRCEA program on customers' eligibility. Lifeline or Universal Service programs are state-funded through State taxes and societal benefits charges, again with eligibility based upon a number of factors tied to income. Bill credits of up to \$225 are provided to assist eligible customers with electric and gas utility bills. The TRCEA will provide consolidated billing through the utility; as such the bill credits would be unaffected.