



# Manchester Township

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## Office of The Mayor

Kenneth T. Palmer  
Mayor

### PRESS RELEASE

#### **Energy Aggregation**

#### **From the Desk of Manchester Mayor Kenneth T. Palmer**

About four years ago, Councilman Brendan Weiner brought the concept of “Energy Aggregation” to the Council for consideration. After four years of researching the issue and watching the energy markets, Manchester Township has opted to participate in a cooperative agreement with Stafford Township and Lacey Township for an energy aggregation program. Energy aggregation is a state approved program wherein an individual municipality or combination of several towns can combine their residents in one pool of customers to secure one bulk rate for electricity from a third party electricity supplier at a lower price than the local utility. Basically, it is the same concept as buying in bulk from BJ’s. In this case, we are purchasing electricity from a company other than JCP&L. In the coming months, Gabel & Associates, our designated energy aggregator will request and receive bids from energy companies that want to supply us with electricity. Manchester Township has given instructions to Gable & Associates not to accept any bid that is not at least 10 percent lower than the cost of electricity per unit with JCP&L. If we cannot secure a bid with those specifications, we will not proceed.

Assuming we receive a favorable bid, Manchester Township will move forward. What does that mean for you? The short answer is a lower electricity bill. Procedurally, all of our residents are deemed to be “opted in” the program. You will be receiving a notification of the programs commencement and be given an opportunity to “opt out” of the program. To “opt out”, you would be required to complete the (enclosed) postcard indicating your desire to not participate in the program. Then you will continue to use your current energy provider at their stated rate. If you do not send in the post card, you will be included in the energy aggregation program. The benefit of the program is a reduced rate for the energy you use. Please note, if you are a part of the energy aggregation program, JCP&L will continue to service your home. JCP&L will just deliver a different company’s electricity. Also, those residents with solar panels will not be included in the program. Residents already enrolled in a ‘third party’ energy program will not automatically be enrolled in the township program.

If you analyze your electricity bill, it is broken down into two sections, energy usage and service. This program is designed to reduce the costs you incur on the energy usage portion of your bill. You will continue to receive a JCP&L bill each month and pay JCP&L for the entire bill.

At our council meetings where the concept has been discussed on various occasions, there have been some legitimate criticisms of the program. One concern is the effect of the fluctuating prices of energy. What if our third party supplier’s rate changes and exceeds JCP&L’s rate? Considering a number of our residents got burned by third party suppliers in the past with variable rate programs, this is a legitimate concern. However, unlike the private third party supplier programs which enticed residents with a low introductory rate and thereafter raised rates over the course of the contract period, this program locks in our third party rate over the course of the contract period. Additionally, if the third party contract rate ever exceeds JCP&L’s rate, you will be given the opportunity to “opt out” of the program at that point. Plus, with only a 14 month contract period and the various energy indexes that are used to set JCP&L’s pricing, it is very unlikely that we will be in a position where our 10 percent savings is eliminated.

The most serious criticism centers on the role of government and its over-reach into your daily lives. I fully understand and respect this position. However, I believe the program’s merits outweigh the intrusion. When I consider the number of seniors we have living on fixed incomes where electricity heats their homes, powers their lights, and warms their water, saving 10 percent on their electric bills matters. Compared to the burden upon the resident who wants to “opt out,” completing and return mailing a post card, I believe it is my obligation to try the program and help our residents save money.

When I was campaigning for this position two years ago, I came across two sisters who lived together in one of the Crestwood villages. After kindly listening to my campaign pitch, one of the sisters said to me “That’s nice, but what are you really going to do for us? We live on fixed incomes and during the winter, my sister and I sleep in the same room and only use the kitchen of our home so we can save on our electric bill. We cannot afford to heat the entire house.” I believe this energy aggregation program presents an opportunity to help those two sisters and all of our residents save some money. A couple of our neighboring towns have experimented with the program, found it successful and re-enrolled.

5/11/16

New Jersey Department of Environmental Protection  
Re: Compliance Evaluation and Assistance Inspection  
Manchester Water Utility  
PWSID No. 1518005

4/30/02  
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