

Press Release

EATONTOWN BOROUGH AWARDS POWER SUPPLY CONTRACT WITH COMMUNITY AGGREGATION CONTRACT; ACHIEVING 19% SAVINGS FOR RESIDENTS

(Eatontown, NJ) – The Borough of Eatontown announced this month that it has awarded a 21-month contract to South Jersey Energy Company (SJE) to provide power supply to Borough residents under the Eatontown Community Energy Aggregation (ECEA) program, at a cost approximately 19% below the price for power supply currently charged by JCP&L. The ECEA program has been formed by the Borough under the State's Government Energy Aggregation law.

The Government Energy Aggregation law, which is implemented under the oversight of the New Jersey Board of Public Utilities (BPU), allows a municipality to combine its residents into a 'bulk purchasing pool,' the purpose of which is to create buying power leverage to seek power supply at a more competitive price, and under more favorable terms, than residents could obtain on their own.

The process follows strict State rules, including review of bid documents and contract documents by the BPU, and conducting a public, competitive bid. The Borough originally went out to bid in late 2014, but did not award a contract when the resultant savings were deemed insufficient. In response to improved market conditions, the Borough re-issued the bid late last month, and received bids from four qualified power suppliers. The low bid was received from South Jersey Energy, and the contract awarded by the Borough provides a price for power supply, beginning in March 2016, that is approximately 19% below the JCP&L tariff price for power supply.

Under the State GEA law, all residents who currently receive power supply from JCP&L are initially included in the program on an 'opt-out' basis. Customers who already have their own third party supplier arrangements are not included, but may opt-in if they so choose. Residents who currently receive power supply from JCP&L will receive a mailing from South Jersey Energy in early January providing program details, and will be given information on how to opt-out of the program via mail, toll-free phone call or via email. Anyone not interested in participating in the ECEA program can opt-out of the program with no strings, and remain with JCP&L. Customers may opt-out during the 30-day period in January 2016 before they are even enrolled in the program. Residents are also free to opt-out of the program at any time during the 21-month contract at no cost.

It is emphasized that this program only covers the power supply portion of the electric bill. Under this program, JCP&L will continue to provide all delivery services, will still be responsible for service reliability, and will still read meters and issue a single bill for electricity.

SJE is part of South Jersey Industries, which owns a gas utility in New Jersey. SJE has been in business as a retail electric supplier in NJ since 1997, has served hundreds of school districts and municipalities, and has recently been awarded contracts by several municipalities in New Jersey to serve residential customers through Community Energy Aggregation programs.

Under the ECEA program the average Borough resident would save more than \$15 per month off their electric bill, or approximately \$325 over the 21-month contract term (through December 2017). Based upon full participation, aggregate Borough-wide savings would be in excess of \$1.6 million.

The contract awarded by the Borough also allows individual residents the option to voluntarily select a 25% renewable energy product at a slightly higher price. Residents who choose the 25% renewable product will still receive about 15% savings off of the JCP&L power supply price. Details concerning how residents can choose this option will be included in the letter distributed by SJE in early January.

Additional details about this program will be posted on the Borough's website over the coming weeks.

Gabel Associates, a State-registered energy agent, assisted in setting up the program and guiding officials through the competitive bidding process to select a retail supplier. The program was structured so that the municipalities did not incur any out-of-pocket expenses for consulting fees or professional services.