

Let your town negotiate your electric company bill, NJ expert says

By Dianne DeOliveira September 8, 2016 3:00 AM



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Uncertainty is common for some residents of New Jersey towns considering municipal energy aggregation programs, which one expert explains is very different from individual contracts that may have burned consumers in the past.

Robert Chilton, executive director of Gabel Associates, an energy consulting firm that specializes in brokering municipal contracts, says the deals that municipalities enter into with third-party energy suppliers are done under very strict regulations that are overseen by the New Jersey Board of Public Utilities, and include safeguards beyond the normal consumer-protection regulations, as well as a public bidding process to encourage competition.

Ratepayers are supposed to save money because a municipal contract guarantees an energy provider a large number of customers.

"The contract terms include a lot of protections that protect against the very things that have caused some of the apprehension and bad experiences in the market, specifically the prices doesn't change for the length of the contract, customers can get out any time they want, and there are no early termination fees or penalties, so you can come and go as you please with no penalties," said Chilton.

He noted those are among the bigger issues that people have complained about over the years after entering into variable-rate contracts on their own. Prices can change without an individual knowing, and many times there is fine print that includes penalties or an exit fee for wanting to opt out.

"Those kind of things are prohibited in these municipal contracts," Chilton said. "Customers don't have to worry about reading fine print because there is no fine print."

Gabel Associates has overseen contracts for about a dozen New Jersey municipalities, and Chilton notes that residents begin to see that there is little downside and a lot of potential upside to being part of a municipal energy aggregation program.

Plumsted was the first in New Jersey to enter into an energy aggregation program four years ago, and is on its third contract, according to Chilton.

"Folks who opted out the first time decided they want to get in the second time. They talk to their neighbors, their neighbors are happy, they save money, and so we find that as time goes by, people are more comfortable and they want to participate," Chilton said.

Also in Ocean County, Chilton pointed out Toms River is on its second contract, and in Monmouth County, Colts Neck is nearing the end of its first contract while Eatontown is in the process of bidding for its second contract.

The company also has contracts with Monroe, West Orange, Montgomery, Lambertville and West Amwell.

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